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THE WHITE HOUSE

Office of the Press Secretary

Immediate Release September 25, 1995

PRESS BRIEFING
BY MIKE MCCURRY

Fo

The Briefing Room

3:12 P.M. EST

MR. MCCURRY: Good afternoon, everybody. Welcome to the White House on this somewhat dreary, drizzly day. And having no prepared announcements of the day, I will take any questions you might have.

Q What did he say?

MR. MCCURRY: He talked for well over an hour, and then had impromptu dialogue with a lot of participants in a rousing session of Budge Sperling's interview group, which has been going on for close to 30 years, and which has held over 2,000 -- close to 2,800 such gatherings; this being the fourth time, I believe, that a President of the United States has sat with the group.

Q It wasn't Gene Sperling?

MR. MCCURRY: It was not Gene Sperling -- although Gene Sperling is instrumental --

Q It was breakfast, either, was it?

MR. MCCURRY: It was not breakfast, but they did give Budge Sperling an 80th birthday cake that had his breakfast right on top of the cake -- I kid you not, scrambled eggs and bacon included. Try that on for size.

Q So what happened? What did he have to say on Bosnia, on everything else? (Laughter.)

MR. MCCURRY: Well --

Q Will you provide a transcript of this?

MR. MCCURRY: On Bosnia, he reiterated things, some things, I think many of you already know -- that we are preparing for a very important meeting of the Contact Group tomorrow, with

representatives of the government of Bosnia-Herzegovina, the former Yugoslav Republic and the government of Croatia. In a short while, those same three foreign ministers from those countries will be meeting with Secretary Christopher in New York.

The President, at this moment, is participating in a meeting of his national security advisors, including Secretary Christopher, Assistant Secretary Holbrooke, Ambassador Albright and Under Secretary Peter Tarnoff, who are all in New York for meetings of the U.N. General Assembly and also for the Contact Group meeting tomorrow. They're on a secure teleconference with the President and his other national security advisors, including the Secretary of Defense and the Chief of Staff and others.

They are reviewing the instructions that the U.S. delegation will have as they pursue these very important discussions that we believe present the most promising opportunity to date for peace in Bosnia and resolving the Balkan conflicts.

Q What kind of schtick did you use to get the Bosnian government to come?

MR. MCCURRY: Well, the Bosnian government understands, we believe, the importance of pursuing a political settlement that will lead to a peaceful resolution of this conflict. So much of the future of Bosnia, of the Bosnian people, those who will live within the territorial boundaries of Bosnia-Herzegovina depends on a resolution of this conflict and on building a peace that includes economic reconstruction and development. It's a powerful incentive to now turn to peace, both sides having exhausted possibilities, by and large, through their conflict that has raged in recent weeks.

Q -- wasn't reluctant to do this anyway --

Q -- Izetbegovic about that caused him to reverse his position on sending the Foreign Minister?

MR. MCCURRY: Look, I would suggest to you that in Bosnia, as we have seen over the weekend in the Middle East, as we see in so many places in the world, that U.S. leadership is an indispensable element in resolving many of the conflicts that exist in the post-Cold War era; and that is the work that the President and other members of the administration have done this weekend. And we hope it will lead to a productive and fruitful discussion of peace at the meetings today and tomorrow.

Q So are we tell them now or never, or what? What did we --

MR. MCCURRY: We suggested to them that the best interests of the people of the Balkans and the people of Bosnia-Herzegovina, in particular, lie with this new initiative to seek a peaceful settlement. We made that clear, I think, to the Bosnian government, as we've made it clear to all the parties in the

conflict.

Q Did we threaten to withhold the NATO bombings and so forth --

MR. MCCURRY: I don't believe that threats were necessary. As the Bosnian government has indicated, in the words of the Prime Minister, it was not necessary to encourage the parties to come back to the table to look at the very difficult issues that lie ahead. It's understandable, in the middle of a negotiation, that both parties find many of the issues that need to be resolved in this conflict difficult to address and difficult to stomach.

And we sympathize with some of those views, and we know that the requirements of peace for the Bosnian government -- as with, indeed, some aspects of the other parties as well -- will be difficult. But we believe that that is a far preferable direction for the future of that country than continued conflict.

Q Mike, the Russian Defense Minister today suggested that President Yeltsin is going to present President Clinton with the idea of a joint command when some kind of peacekeeping force goes in. It sounds like alternating -- sometimes it's NATO, sometimes it's Russia. Has the President seen anything on this, and do you have any comment on it?

MR. MCCURRY: I haven't seen anything on that, and to my knowledge, the President has not either. We are still at a point where we're trying to get the parties to resolve their differences and fashion a peace settlement. It will be some time before we can then turn to the question of how best the West can assist in the implementation of that peace.

Now our view has longstanding been that the best way for the West to be involved in implementing that peace is through a NATO force that would be there to help the parties make good on the commitments they make at the negotiating table. But the contours of that implementation force are not known at this date because we don't have the contours of the agreement itself.

Q Can I just follow up on that? Last week members of Congress seemed very upset at the idea of a large force of Americans participating. And one of the complaints they made was that the administration, they felt, had not talked enough to members of Congress. What's happened on that front, and do you sense that there's been any movement in there --

MR. MCCURRY: Well, first, I believe General Shalikashvili gave a very effective rebuttal to the overall

proposition that the size of the force is a question that can be dealt with in the fashion suggested by some members of Congress. Secondly, the importance of congressional consultation is something we have always acknowledged, and have, in fact, consulted with

Congress as we've gone through this process.

But the President acknowledges that as we enter into a new, and we hope, more hopeful era in the history of Bosnia-Herzegovina that there will be requirements upon the U.S. as we exert our leadership. Those ought to be fully explained to the American people and to the United States Congress. And, indeed, the President, among other reasons, devoted his Saturday radio address to the subject for that purpose. He will continue to speak on that issue as we attempt to resolve the conflict through successful diplomacy.

Q Mike, are the White House and President prepared to do what Senator Helms seems to want in order to get this logjam broken of --

MR. MCCURRY: Well, we have respectfully listened to the arguments of Senator Helms. The President has met personally with him. We just have a different view as to what makes sense as we structure American foreign policy in this post-Cold War era. The President is interested in seeing this impasse broken so we can move on with the effective conduct of America's foreign policy. We live in a world in which, as I said earlier, the leadership the United States provides is absolutely indispensable. And whether we're talking about Haiti -- think of where we've been in the last year -- from Haiti to the progress in Northern Ireland, to the new -- interim agreement that we're celebrating between the Israelis and the Palestinians, to the work we've done to structure a safer and more secure Europe. The benefits of our diplomacy are coming home to the American people in the form of a safer and more secure world, and, indeed, a more prosperous world.

Q So what do you do to break this --

MR. MCCURRY: And the conduct of diplomacy depends on having a diplomatic corps that is every bit as prepared as is our military. And we believe that impasse can be broken, will be broken. And that's part of the issues that will be resolved in weeks ahead.

Q Well, so have you got something going there with him? Have you made any headway with him or are you just simply remain at --

MR. MCCURRY: Well, it's not clear at this point whether

Chairman Helms' ideas will make any headway within the United States Congress itself. So I think, in part, we have to wait and see what the disposition of Congress is. Many members of Congress understand the importance of the role America plays in the world, and they know that to undercut that role is not in the best interest of the American people.

Q Mike, what did the President say at Sperling about Newt Gingrich's threat to hold up the debt ceiling increase if the

budget impasse --

MR. MCCURRY: Well, I can't -- for those of you who don't participate in the session, I can't provide you a verbatim account, but it's reasonable to assume that the President addressed that issue much as many of us have addressed it on his behalf, that to allow the United States to renege on its obligations to pay its debts, to be an honorable citizen of the world community and the global economy would be a very irresponsible thing to do.

Q Mike, at the Sperling gathering, I understand that the President talked more about the national funk, and talked about his comments -- either they were misinterpreted by some of us who were on the plane or he just discussed them at greater --

MR. MCCURRY: No, I'll come back to that in a second. I think the President also made it clear in this session that he would not be blackmailed by threats to allow that ceiling to expire or to fail to be extended. And he made it clear that we need to get to the underlying fundamental issues that are at dispute in this budget debate; and that threats and the type of negotiating tactics that might be underway right now would not be in the best interest of the United States in the long term for several reasons.

First, because it would create uncertainty in global economic markets about the good faith and credit of the United States government. And that would conceivably raise the interest costs associated with servicing a debt, and ultimately, undermine what the Republicans profess to want to do, which is balance the budget. You make it harder if you increase the size of the debt service that the United States carry.

Q Has there been any contact with Gingrich? I mean, as you mentioned this morning he's had various positions on this issue to determine exactly what -- he's talked at one point about week to week and --

MR. MCCURRY: Well, on this issue, there will be -- have to be further discussions. I'll tell you that at the moment, our work with Congress is focused on the more immediate issue of what

to do at the end of this week. Congress has not sent the President of the United States a single appropriations bill for signature. The end of the fiscal year is the end of this month, October 1st. We in a sense are playing catch-up. It's a very irresponsible and ineffective and inefficient way to do the nation's business.

It's not a very good reflection of the leadership of this Congress, that they can't meet, in an orderly way, the timing required by the Budget Act itself. They, in a sense, are breaking the law by not sending to the President, in a timely fashion, the appropriations bills that are due on his desk.

Now, that happens from time to time; we all know that. The traditional solution is a continuing resolution. And so the

focus of our work right now with the Congress is on that issue of how we best set the ground rules for the overtime that we will now enter, as of October 1. So Mr. Panetta met with the chairs of the two appropriations committees over the weekend. They instructed the staffs to follow up on some of the underlying issues, which they are doing today. And hopefully we'll see progress on the terms of a continuing resolution this week.

Q Did the President use the word "blackmail" in terms of the debt limit?

MR. MCCURRY: Let's see, I'm looking down at my notes here. That's why I used that word. I try to accurately reflect the President's thinking when I can.

Q Mike, do you care how long the timeframe is --

MR. MCCURRY: Well, six weeks; we can live with six weeks, although that seems long to us. We need to make sure, though, that during that period in which we are continuing operating under a continuing resolution, in a sense, running overtime, that we hold harmless both the Executive Branch and the Legislative Branch as to priorities. The President cannot accept and doesn't think Congress should ask of him to buy into the priorities of the underlying budget debate. And what we ought to do is to, in a sense, continuing existing law that meet the spending targets that have been set by the congressional budget resolution in order to buy time to resolve the fundamental issues that will lead to the eventual resolution of these issues.

The President, by the way, was very optimistic that, in the end, you would achieve some type of reconciliation with the Congress on these budget issues, and that we would be able to see a measure pass.

Q Mike, is it the President's concept also that Congress is, in essence, breaking the law, as you just said, by not sending him the appropriations bills, or is that your phrase?

MR. MCCURRY: That's my phrase.

Q Was it not the President just -- or you, from the podium, just a couple weeks ago, talking about shortening the time of any continuing resolution? Is there a sense that Gingrich is trying to one up you by now talking in days when just a couple weeks ago you, yourself, were talking in a matter of a couple weeks, a few weeks rather than a longer period of time?

MR. MCCURRY: I mean, we are looking -- there's a longer -- we had suggested a shorter period of time. And now Congress is apparently -- has under discussion a longer period of time. And that, you know, might likely be a period we can live with provided that it's done under terms that the President would find palatable. It would be unacceptable to him to have to accept certain

committee marks coming from the Congress that do things that the President has already said are absolutely unacceptable, zeroing out certain programs that he said are not things that he is willing to accept as part of a larger budget compromise.

Q You mean, he'd let the government shut down to preserve three weeks of funding for some program?

MR. MCCURRY: Well -- I mean, that's an arbitrary question -- that's an arbitrary question, absent specifics. What we're suggesting is the way to do this is to do look at the spending targets to make across-the-board reductions so you meet the spending targets; and that by the time necessary to resolve those issues that will have to be resolved before we face the real issue of shutting down the government.

Q That's some sort of proportionally smaller thing that's the effect of a -- like a --

MR. MCCURRY: Well, there are ways that you -- that we have under discussion now, I believe --

Q Like temporary restraining order.

MR. MCCURRY: -- believe going under -- you know, now under discussion with the staff on the Hill ways that we could meet these targets in an effective way so that we don't jeopardize our ability to reach a fundamental compromise on all the issues that will be necessary to resolving the budget impasse.

Q Is it fair to say you were trying to make sure the continuing resolution doesn't prejudice the outcome?

MR. MCCURRY: Yes, that's correct -- in other words, a so-called "clean" resolution, as some people refer to it.

Q Are you saying the President would veto anything that falls short of his request for an across-the-board -- across-the-board --

MR. MCCURRY: I'm saying that we -- we need a good-faith continuing resolution that allows both the Congress and the President time to negotiate their underlying fundamental differences on the budget. And that the President believes, and those doing the negotiating believe, that ought to be achievable; that it won't be achievable if the Congress insists on things that the President has already said are clearly unacceptable.

Q Are you also exploring ways to keep the government operating in case you don't get the cooperation you want from Congress, ways to continue spending through executive action?

MR. MCCURRY: Well, I'm not going to speculate on that. The question is whether or not the government defaults at the end

of the day. And the President clearly thinks that's a bad idea, thinks that anyone who understands America's place in the world economy would understand that's a bad idea. And it's hard to imagine, in the President's view, that anyone would threaten to put the United States government and the people of the United States in that precarious position.

Q Let me -- if I can rephrase the question. Would the President find it advisable to try -- since the default would, the President believes, be so clearly not in the interest of the U.S. government, would he attempt to protect the standing of the U.S. by acting through executive order to keep the government operating minus the cooperation of Congress?

MR. MCCURRY: Well, there -- the President will try to protect the safety and security of the American people as best he can, given whatever tools are available to him as they come from Congress. The best way is clearly full appropriations bills and passed in a timely manner; absent that, a continuing resolution that allows time for that type of overall budget compromise to be reached. The rest of what the details look like are at this point pretty speculative until we get some sense of how the Hill and the White House negotiators are going to resolve some of the issues.

Q -- complete the report that was being prepared for

the President from each agency on what is a essential --

MR. MCCURRY: Shutdown plan?

Q Yes. The shutdown plan.

MR. MCCURRY: I don't know the answer to that. I suspect so because some had come in at the point of the deadline that OMB had suggested to agencies. We need to check on that. I can report back to you on that tomorrow. But I know that they've been working through some of those plans.

Q Mike, would you say that the negotiations of the last four days or so minus the weekend have been going better? Has there been progress? How would you characterize the talks between your staff and the Capitol staff?

MR. MCCURRY: I'd say based on Mr. Panetta's sense of his meeting with the two congressional appropriations chairs that there's been progress.

Q How would you characterize the talks?

MR. MCCURRY: I said that there's been progress in those talks.

Q I mean, are they -- are they -- not only been progress, but would you say that they're getting down to some real business, and there's not any kind of angry animosity going on there, or how would you describe them?

MR. MCCURRY: I would say that there's a seriousness of purpose and understands that there are real fundamental differences that underlie the positions of the Republican majority and the President. But there's a good-faith effort on the part of the White House to attempt to resolve those differences so that we can move ahead. From the Republican majority, it's not entirely clear, based on public statements of some of the leadership, which direction they want to go at this point. In fact, there's some troubling indicators as we saw over the weekend.

Q So you don't have a resolution yet or you don't know --

MR. MCCURRY: -- as of now, to my knowledge, we have not been able to resolve those issues on a CR.

Q Do you have late-breaking Bosnia news, Mike?

MR. MCCURRY: Let's go -- we'll come back to that. Let me read this for a second and keep going.

Q Is it accurate to say, then, the only outlying issue is the spending formula, because there is -- (inaudible) -- legislative riders attached -- (inaudible) -- agreement not to have any non-germane riders attached?

MR. MCCURRY: Well, I don't want to -- the substance and shape of any agreement on the continuing resolution, I'll leave to those who are doing the negotiating. But we believe it ought to be possible to achieve this week, prior to the end of the fiscal year, on the type of measure that the President would be able to live with that gives us the additional time to begin addressing the real issue, which is how are we going to write a budget that reaches the President's goal and the Congress's goal of a balanced budget and does so without exacting the type of price that the President has suggested is unacceptable.

Q Mike, could you elaborate a little more on this idea that they're breaking the law by not bringing the --

MR. MCCURRY: Well, the law -- the Budget Act requires the passage of appropriations bills by October 1st. They clearly have failed to do that. Now, that happens from time to time. I think we probably on the first year of the Clinton presidency may have slipped the deadline on two out of the 13 appropriations bills, I think, and the subsequent year we met every deadline in a timely fashion. You can do it when there is leadership from both the White House and the Congress sufficient to get the job done. But this Congress and this Republican leadership has had trouble, frankly, doing things in a timely and an efficient way.

Q Mike, was the President asked in the lunch about

Medicare, whether he has more details forthcoming or whether he would embrace more than \$124 billion --

MR. MCCURRY: He was not asked a question during the formal part of the lunch about further details.

Q Mike, for those of us on deadline, can we come back to Bosnia?

MR. MCCURRY: Yes, back to Bosnia. Just a readout. David, jump in and add in anything I need to add in.

I already told you that the President was conducting this video teleconference with his other principal foreign policy advisers. The Vice President was also in attendance, in addition

to the others I mentioned earlier. And they talked for about 30 minutes. The President got a good briefing on the course of the negotiations and some of the work that our team did in the region over the course of this weekend. They also talked on how to best use the opportunity, meaning tomorrow, to advance our overall objectives as they relate to the political settlement.

The President instructed the delegation to pursue a negotiated settlement aggressively, kind of reminded them that the best interests of the United States certainly lie in a peaceful settlement of this conflict. The President, clearly reflecting on the work outlined, agreed with the assessment of several around the table that there's a lot of work that needs to be done on some of the underlying issues that define this negotiation -- geographic issues, issues related to constitutional arrangements and affiliations. These will be very difficult issues for the parties to address, but we will pursue a resolution of these issues diligently.

Q Mike, did the President, beyond receiving a briefing and expressing his view that a negotiated settlement ought to be pursued, and noting the difficulty of some of the underlying issues, did the President have any instructions for his diplomats on this? Any specific ideas that he told them to pursue other than --

MR. MCCURRY: Yes, as I just indicated -- as I indicated in doing the readout, that he has had at various points in recent weeks some specific ideas that he thinks would -- reflecting on what we hear from the parties, what we hear not only from the Bosnian government, but also what is communicated to us by representatives of President Milosevic, and by representatives of President Tudjman. He's reflecting on those various positions, suggested some ways in which they might make progress as they attempt to resolve the underlying issues. And those have been factored into the instructions that have been given to our delegation in New York and to Assistant Secretary Holbrooke.

Indeed, those were exactly -- that was exactly the

purpose of the discussion today -- to fashion and fine-tune the instructions that will be used by our negotiators as they meet with the representatives of the parties tomorrow.

Q Mike, I got a welfare question, but I didn't want to butt in front --

Q Can we ask one Bosnia question?

MR. MCCURRY: Yes.

Q And that is, did he give any sense, any kind of pep talk that this is a particular point in time or anything?

MR. MCCURRY: Look, these are serious discussions, and pep talks are for other days.

Q The President would never give a pep talk --

MR. MCCURRY: I think he is satisfied that Secretary Christopher and his team from the State Department and those representing the inter-agency negotiating team have done a very good job in moving this process forward. This -- the search for political solution to the Bosnian conflict was stuck, dead in the water, not less than several months ago.

And when the United States re-entered this picture with a new initiative, dating back to the London conference, we've been able to move things forward. The people of Sarajevo today are certainly a lot safer than they were prior to the entry of this President into these discussions. And the President wants them to press forward because the job's not done yet.

Q But does the U.S. support the total sovereignty of the Bosnian government, an autonomy within this government -- Serbs?

MR. MCCURRY: We have always insisted upon the recognition of the territorial integrity of Bosnia-Herzegovina. That has been a central premise of our diplomatic approach. And one of the key achievements of this London conference was the acknowledgement of that territorial integrity by the government of the former Yugoslav Republic.

Q Well, why did they feel a need -- I'm sorry -- why did they feel a need, then, to get some sort of guarantee on just that issue before they apparently would come back to the table?

MR. MCCURRY: I think it's safe to say that they are in the midst of a negotiation.

Q The national mood, Mike?

MR. MCCURRY: Okay, oh, back to your question. Look, he

-- no, the President suggested only to those who asked about his session on the plane on the way back from California that they read both the good pool report that was done and the full transcript of the session. And because exactly the type of excitement that he was communicating about the work that lies ahead, what he is doing

as he describes for the American people his vision of America's 21st century and how he is leading to get to that destination is something that, personally, gives him a lot of both enthusiasm and excitement. And he suggested that you can catch the flavor of a lot of that by reading the full transcript of what he had to say.

Q But he still feels the country is in a funk?

MR. MCCURRY: Well, no, he said that was probably not the right word to say. What he said is that the American people want to know, you know, why in the midst of reports of a more -- of a stronger economy, a more prosperous America, all the job creation that's taken place in the last two-and-a-half years, the clear evidence that most places in this country crime is on the decline, that things are improving, Americans feel uncertain about the future. And he suggests putting in a historical context that we are going through an extraordinary period of change that is remarkable as you look through the history of our country. We are in a sense making that transition from one era defined by the industrial world of the Cold War into a new, safer, more prosperous, more secure world that has enormous opportunities for the American people. But that type of change can be unsettling to people.

And the President is suggesting that there's a way to manage this change and to make it through in a way that enhances the security of Americans and makes them feel more confident about the future. That was all for -- what you need to do is look at the transcript of the President as he discussed this issue with some of the reporters on the way home over the weekend.

Q Mike, if I'm not mistaken, this administration has granted welfare waivers for things that would be like a family cap. And I was wondering, as you approach those negotiations, whether there are kinds of penalties on illegitimacy that you would be amenable to if they included something like a child care voucher along with it. Is that an area of possible --

MR. MCCURRY: Our specific views on family caps are reflected in the position the White House took on various amendments that pertain to the fundamental welfare reform bills that went through the Senate. It's true that we have allowed for some experimentation. And those experiments, as you know, in the case of New Jersey and elsewhere, are being evaluated. But I do think that the President feels that the overall goals of welfare reform ought to be to certainly include making that transition from welfare to work a realistic one by providing opportunities for those who are left behind, specifically the children, to have the type of subsistence they need so that they can survive in an

environment in which one or more of their parents are going to be required to work. Children ultimately can't pay the price for the sins of their fathers and mothers.

Q Does he care whether it's a cash grant to the mother, or whether it could be given as a voucher for child --

MR. MCCURRY: He cares more that they look at the exact way to protect the children who might be the victims of any arbitrary cap or cut in assistance. And he believes in the premise of giving states flexibility as they attempt to manage that equation.

Q Mike, on the Middle East, does the President anticipate asking for any more money for Palestinian reconstruction from Congress, or alternatively from the donors group?

MR. MCCURRY: I'll have to check and see. One of the things that we have done since October 1993 is to build on the work that the Israelis and the Palestinians have done together, by encouraging and providing incentives for the international community to donate to the progress that the Palestinians will surely make as they implement their side of both the declaration, and now the interim agreement.

Part of the problem, frankly, has been that pledges that were made have not always been timely in being received. And one of the things that we've done through our diplomacy is to encourage those to be more forthcoming with their donations. But that applies equally to us. We've got commitments that we have made, dating back to October of 1993 that need to be fulfilled. And the work of building peace in the West Bank and in Gaza and under the terms of the agreement that have been reached will be an ongoing effort. We've put a lot of effort of the United States government into that through U.S. AID and through the private sector involvement that we've been able to encourage. And we certainly will, as part of our democratic effort, encourage other countries to make similar types of contributions.

Q What else did he say about the Middle East?

MR. MCCURRY: He did not -- that was -- he referenced it at the beginning of his remarks. There was not an extensive question, frankly surprisingly, not much questioning on that subject.

Q Any more details, Mike, on Thursday?

MR. MCCURRY: Say again.

Q Any more details on Thursday?

MR. MCCURRY: No. I've heard -- I mean, we are looking for signing of the agreement that has now been reached roughly

around noon, but continuing the work over a lunch that will follow, reception that night on Thursday. And the President does intend to have bilateral working sessions during both Thursday and Friday with Chairman Arafat, President Mubarak, Prime Minister Rabin and King Hussein.

Q What happens to the Freedom Medal that day?

MR. MCCURRY: That will fit somewhere in the schedule as we develop the schedule.

Q What should we read into the fact that the President did not call President Assad, though he called five other Middle Eastern leaders?

MR. MCCURRY: That the Syrian-Israeli track of the Middle East process is one that works well, I think there are elements of it that intersect with some of the underlying questions in the other tracks, then there must be a comprehensive, just and lasting peace in the region; that we recognize, as the government of Syria would recognize, that the progress they are able to make on that track is something that is dependent on the discussions that need to occur between the government of Israel and the government of Syria.

Q Was the absence of the phone call designed to send some signal to President Assad?

MR. MCCURRY: No, it wasn't.

Q Do you anticipate a Syrian presence on Thursday?

MR. MCCURRY: My understanding is that an invitation will be extended for representation, most likely at the ambassadorial level.

Q Where was the lunch held today?

MR. MCCURRY: The State Dining Room.

Q Any other things come up?

Q Do you have a transcript of that?

MR. MCCURRY: We will make a transcript available for

reporting in a.m. papers tomorrow which means that wires, which would be of interest to you, wouldn't be allowed to transmit today.

Q What time would that be?

MR. MCCURRY: 12:01 a.m. tomorrow.

Q 12:01 a.m.?

MR. MCCURRY: Yes.

Q When do we get it?

MR. MCCURRY: -- able to cut you some slack so you don't have to stay awake until midnight?

Q You can put it out embargoed, right? Can't you?

Q Get it when?

MR. MCCURRY: We'll try.

Q Midnight.

Q (inaudible)

MR. MCCURRY: -- I can't hear the question.

Q The Democrats have been criticizing Republicans for not having a lot of public hearings on the Medicare plan. Yet, the White House is using the argument that it won't come forward with its details at this point because if it were, then the Republicans would use those details to finance and find out --

MR. MCCURRY: Do you doubt that?

Q Pardon?

MR. MCCURRY: Do you doubt that? Do you doubt that that's true?

Q She's supposed to ask the question, and you're supposed to answer. (Laughter.)

MR. MCCURRY: I think it's a reasonably good argument that they would -- that if we came forward a proposal like that they would pocket that and run off and take the money and use it to give away as a tax break to folks who haven't asked for it and who don't need it. That's pretty clear what would happen in that case.

Q -- you're not allowing public disclosure --

MR. MCCURRY: Oh, come on. That is ludicrous. They are the ones who are suggesting that there are \$270 billion worth of cuts that are necessary in Medicare and another \$142 billion or whatever it is out of Medicaid. So the burden of proof lies with those who would make the proposition that we need those deep, massive cuts in Medicare and Medicaid.

You know, they make the -- they have a difficult time making that case now because that's hard to do. It's hard to do that without causing enormous pain to the elderly of this country and to those, frankly, who are going to be in desperate need of health care. And they -- and that's why they're playing this shell game on where the details of their proposal are right now, because they can't do it without exacting an enormous price. So they've so far gotten away from it -- gotten away with keeping the details under wraps.

If you want -- as I've said -- I've said over and over

again, you want details on our plan -- if the Congress will suggest to the President, you know, maybe you've got an idea with your 10-year balanced budget plan, and the contours of the proposal that you've made on Medicare and Medicaid that would make some sense and that would cause less pain for the American people than our proposal, and, you know, we invite you to present those and put them on the table so that we can look at them seriously, that would be a world of difference. They haven't made that suggestion. They don't seem to show any interest in having that type of discussion. The President wishes they would show that interest.

THE PRESS: Thank you.

END 3:49

P.M. EDT

#111-
09/25

M S M a i l

DATE-TIME 24 October 95 16:13

FROM Bendick, Gordon L.

CLASSIFICATION UNCLASSIFIED

SUBJECT Haiti Election Funding [UNCLASSIFIED]

TO Bass, Peter E.
Cicio, Kristen K.
Emery, Mary C.
Hall, Wilma G.
Veit, Katherine M.

CARBON_COPY Andricos, George M.
Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Halperin, Morton H.

TEXT_BODY

Note for Tony and Sandy:

- Sen Helms has sent a letter to SecState that states he will lift his funding objections to releasing his letter hold on the \$1.3 M if the SecState gives him written assurances that the funds will lead to legitimate elections and the speedy withdrawal of US troops
- State has a draft letter of assurance that SecState is expected to sign tonight or tomorrow
- This means funds could be released by Sen Helms by Friday

M S M a i l

DATE-TIME 25 October 95 14:13
FROM Danvers, William C.
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT Kerry call ~~CONFIDENTIAL~~
TO Fuerth, Leon S.
Wise, William M.
CARBON_COPY Andricos, George M.
Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.

DECLASSIFIED
E.O. 13526 5/16/2017
White House Guidelines, September 11, 2006
By 12 NARA, Date 2/7/2019
2006-1363-F(3)

TEXT_BODY

Note for Leon:

Suggested points for VP call to Sen. Kerry.

[[VPKERRY.DOC : 3610 in VPKERRY.DOC]]

ATTACHMENT
FILE DATE

25 October 95 14:12

ATTACHMENT
FILE NAME

VPKERRY.DOC

OTalking Points for Vice President's Call with Sen. Kerry

ù First of all want to thank you and your staff for all the hard work you have done on the issue of reorganization.

ù Difficult issue for all of us.

ù Understand that you are at a stalemate with Sen. Helms.

ù Further understand that he became upset about your efforts to address other concerns we have with the bill other than reorganization.

ù Could not agree more with your effort to have those issues addressed. Our problems with the bill extend beyond reorganization.

ù My question to you is what happens next? I understand that the

UC will not permit Sen. Helms to take up the bill without an agreed upon manager's amendment. If that is the case then he is as much a hostage to this process he has made us with his hold up of nominations and treaties.

ù As I mentioned to you in our last meeting, we could accept a proposal that would include a savings target of about \$2 billion, depending on how it was structured, and the consolidation of one agency, as long as no agency was specifically mentioned at this point.

ù If you can get Sen. Helms to accept a proposal with a lesser number and no forced consolidation, so much the better.

ù I simply want you to know that we stand willing to help with this difficult situation.

ù

M S M a i l

DATE-TIME 27 October 95 11:02
FROM Harris, Elisa D.
CLASSIFICATION UNCLASSIFIED
SUBJECT urgent guidance [UNCLASSIFIED]

TO Baker, James E.
Bell, Robert G.
Kreczko, Alan J.
Miscik, Judith A.
Pifer, Steven K.
Poneman, Daniel B.

CARBON_COPY Cullin, Brian P.
Fetig, James L.
Johnson, David T.
Naplan, Steven J.
Schuker, Jill A.
Wozniak, Natalie S.

TEXT_BODY pls provide comments on attached asap. it is based on, but updates,
earlier state guidance. thanks!

[[PRESS27.DOC : 2856 in PRESS27.DOC]]

**ATTACHMENT
FILE DATE** 27 October 95 10:59

**ATTACHMENT
FILE NAME** PRESS27.DOC

CONTINGENCY PRESS GUIDANCE

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

Background: There have been press reports in recent days that Russian authorities are investigating the possibility that a former Russian General, Anatoli Kuntsevich, illegally provided chemical weapons materials to buyers in the Middle East. In a letter to the President this week, Senator Helms seized on the issue as a (new) justification for continuing to hold the Chemical Weapons Convention hostage.

Q: Do you have any further information on press reports that Russia is investigating the possible smuggling of chemical weapons materials by former General Kuntsevich?

-- We too have seen press reports about the investigation.

-- They indicate that Russian authorities are conducting a criminal investigation of the matter. Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

Q: Is the U.S. assisting the investigation?

-- The smuggling of materials for weapons of mass destruction, whether nuclear, chemical or biological, is of vital concern to the U.S.

-- Press reports indicate that Russian law enforcement authorities are investigating the matter. If there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

-- The Russian Government has this matter under investigation.

-- It would not be appropriate for us to speculate on possible destinations or the outcome of that investigation.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this issue?

-- Senator Helms has expressed concern over this issue.

-- We share those concerns.

-- That said, rather than being an argument against the CWC, this underscores why it is so important for the U.S. to ratify it quickly.

-- The CWC imposes a legally-binding prohibition on the transfer of CW-related materials.

-- In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

-- It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

-- The treaty also requires that Parties enact domestic legislation imposing severe penalties on those who violate these or any other treaty obligations.

-- Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide access to information that could reveal or even confirm a potential transfer problem.

-- In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Kuntsevich is being investigated.

-- As the President has done on repeated occasions, we urge the Senate to move forward with ratification of this vital treaty.

M S M a i l

DATE-TIME 27 October 95 11:31
FROM Harris, Elisa D.
CLASSIFICATION UNCLASSIFIED
SUBJECT press guidance [UNCLASSIFIED]

TO Cullin, Brian P.
Fetig, James L.
Johnson, David T.
Naplan, Steven J.
Schuker, Jill A.
Wozniak, Natalie S.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

brian:

slightly revised. cleared by defense, intell and nonpro. thanks!!

[[PRESS27.DOC : 2874 in PRESS27.DOC]]

**ATTACHMENT
FILE DATE**

27 October 95 11:29

**ATTACHMENT
FILE NAME**

PRESS27.DOC

CONTINGENCY PRESS GUIDANCE

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

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justification for continuing to hold the Chemical Weapons Convention hostage.

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-- They indicate that Russian authorities are conducting a criminal investigation of the matter. Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

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-- Press reports indicate that Russian law enforcement authorities are investigating the matter. If there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

-- The Russian Government has this matter under investigation.

-- We do not know what the outcome of that investigation will be.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this issue?

-- Senator Helms has expressed concern over this issue.

-- We share those concerns.

-- That said, rather than being an argument against the CWC, this underscores why it is so important for the U.S. to ratify it quickly.

Q: How does the CWC help deal with problems such as this?

-- The CWC imposes a legally-binding prohibition on the transfer of CW-related materials.

-- In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

-- It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

-- The treaty also requires that Parties enact domestic legislation imposing severe penalties on those who violate these or any other treaty obligations.

-- Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide access to information that could reveal or even confirm a potential transfer problem.

-- In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Kuntsevich is being investigated.

-- As the President has done on repeated occasions, we urge the Senate to move forward with ratification of this vital treaty.

M S M a i l

DATE-TIME 27 October 95 12:13
FROM Wozniak, Natalie S.
CLASSIFICATION UNCLASSIFIED
SUBJECT Clinton-Soeharto October 27 Meeting Readout [UNCLASSIFIED]
TO
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY
[[OCT27GUI.DOC : 3168 in OCT27GUI.DOC]]
NSC Press Release
**ATTACHMENT
FILE DATE** 27 October 95 12:11
**ATTACHMENT
FILE NAME** OCT27GUI.DOC
NATIONAL SECURITY AFFAIRS GUIDANCE

October 27, 1995

CANADA
Quebec

EUROPE
Bosnia/Croatia
Ireland
NATO Enlargement
Turkey
Russia
START II
Eximbank and Ilyushin Aircraft
CFE

MIDDLE EAST
Iraq Sanctions
Dole-Jerusalem Bill
Algeria
Amman Economic Summit

ASIA

Jiang Meeting Accomplishments
China

LATIN AMERICA
Mexico
Cuba

MISCELLANEOUS
CWC
South Pacific Nuclear Free Zone
Defense Appropriations

QUEBEC

Q: What is the White House position on the referendum on Quebec sovereignty?

A: This is obviously an internal Canadian issue. It's going to be decided locally. However, I can say on behalf of the President that a strong and united Canada has proven to be a great country as well as a powerful ally, and we hope it will continue.

(Additional final line suggested by Ambassador Blanchard) I am sure that most Americans agree.

(If pressed further) I would recall what the President said before the Canadian Parliament in February:

"In a world darkened by ethnic conflicts ... Canada has stood ... as a model of how people of different cultures can live and work together in peace, prosperity and respect."

[IF ASKED]

Q: Do you support Secretary Christopher's statement that Quebec would not enjoy the same type of relationship?

A: (If raised) As Secretary Christopher explained, the ties between our two countries have been carefully cultivated, and we should not take for granted that a new entity would have exactly the same kind of ties.

Q: What is the Administration's position on NAFTA membership for an independent country?

A: (If raised) This is a hypothetical situation, and any speculation would be inappropriate. I can say, however, that nothing is automatic. Complicated legal issues are involved, and we have given no assurances to any party.

BOSNIA/CROATIA

Atrocities

- ù Continue to condemn these gross violations of human rights.
- ù Led vigorous effort to uncover/publicize evidence of war crimes in Balkans.
- ù Shattuck three times raised issue with Serbs.
- ù President (October 15) said we fully support war crimes International Tribunal.
- ù Actively support investigating international organizations (UNHCR , Red Cross)
- ù Stopping atrocities one main reason for active U.S. role in the peace negotiations

Srebrenica

- ù Did not know anymore than UN about the Bosnian Serb's intent to attack Srebrenica
- ù Did not have prior info on BSA intent to commit atrocities.

12-Month IFOR Time Limit

- ù U.S. position: IFOR military aspects should have finite duration (NATO/NAC agreed)
- ù Believe military aspects accomplished in about one year.
- ù Will not make final decision on duration until final peace agreement/completed OI AN.

- ù 12 months NATO planning figure not been formally adopted by Alliance.

- ù One year sufficient to establish stable ground situation.

- ù Desire to create stable balance through arms reductions, but this will also require some military support for Federation forces to ensure they have an effective self-defense capability.

Russian IFOR Participation

- ù Hope Russia will participate in IFOR. Consistent with important role Russia plays in diplomatic process.

- ù Mission requires NATO backbone of IFOR, single chain of command and robust

- ù Prefer NATO/Russian forces not separated between Federation and Serb areas.

- ù Major Hyde Park topic of discussion.

- ù Yesterday Perry/Grachev met to discuss Russian roles/functions in IFOR. Talks productive, progress made, work will continue through Saturday.

- ù French understand our position. Wrote letter to Chirac to this effect last Friday

Diplomatic Track: Next Steps

- ù Cease-fire remains in effect and fighting stopped throughout most of Bosnia.

- ù Our negotiating team is in New York today completing preparations for proximity talks that will begin next week in Dayton, Ohio.

- ù President reviewed preparations for peace talks with Russian President Yeltsin at Hyde Park, as well as Russia's role in the implementation on Monday.

- ù Our negotiating team is in New York today completing preparations for proximity talks that will begin next week in Dayton, Ohio.

- ù President met Izetbegovic and Tudjman, Tuesday, in New York to encourage flexibility in talks/importance of

strengthening cooperation within Bosnian-Croat Federation.

Proximity Talks

- ù Although Moscow meeting canceled, proximity talks still scheduled Nov. 1.

- ù Talks co-chaired by Holbrooke/Bildt. Goal to secure final peace agreement that parties will initial in Dayton.

- ù Balkan parties: Presidents Izetbegovic, Tudjman, and Milosevic plus Contact Group partners.

- ù Intensive U.S. /CG diplomacy - parties agreed Geneva (9/8/95)/New York (9/26/95) to settlement basic principles: Bosnia as single state; 51/49 basis for territorial solution; constitutional structure; democratic elections; and subsequently to cease-fire.

- ù Difficult issues still to be resolved: (i) internal boundary for Bosnian-Croat Federation/Serb Republic; (ii) Sarajevo status; (iii) practical steps to separate forces /ceasing hostilities; (iv) election procedures.

- ù Dayton will not focus on Eastern Slavonia.

- ù After Dayton, next steps: Paris international peace conference and implementation conference in London. May be meetings after Paris before final settlement signed.

- ù U.S./CG continue to do everything to press for peace. Only parties can make it.

- ù No set duration, hope to resolve all remaining issues in two weeks.

Peace Plan Implementation

- ù NAC approved concept of ops for IFOR.

- ù Detailed planning by NATO Military Authorities will proceed.

- ù Joulwan briefed President and national security team last week on state of NATO's plans.

- ù Number of forces for operation not determined - will depend on peace agreement realities.

- ù NATO briefed UN, UN Peace Force contributors, and interested PFP countries this week, contributions by non-NATO countries would be welcome.

- ù Churkin attended "16-plus-one" with NAC last week to discuss NATO's planning.

- ù Concept of ops 5 phases:

- Phase I: Preparation Phase. Presently in this phase now.

- Phase II: Entry. Begin at signing of peace agreement. Military forces would dep

loy to area by

sea/land.

- Phase III: Implementation. Deployment of forces in country to secure critical areas and man outposts.

- Phase IV: Transition to Peace. Initial robust forces slowly drawdown over year as peace agreement took affect.

- Phase V: Exit. Orderly hand over of commitments to appropriate civilian organizations and withdrawal of IFOR and equipment.

Congressional Approval

ù Last week, letter to Byrd, President requested Congress pass approval resolution.

Our position regarding President's constitutional prerogatives has not changed.

War Criminals

ù IFOR mission is to implement the peace agreement.

ù Pursuing war criminals not in mission, but will take into custody if come into contact.

Military Stabilization

ù Our goal to establish stability on ground by time IFOR completes mission. One of the keys to ensuring settlement does not break down after IFOR leaves.

ù Preference for balance of forces between Federation/Bosnian Serbs through arms control measures that provide for a "build-down."

ù Arms control by itself unlikely to achieve stable balance, prepared to equip/train Federation forces to ensure effective self-defense capability.

ù Effort separate from NATO-led implementation force. First step: lifting of arms embargo.

New Ethnic Cleansing/Reports of Mass Graves

ù U.S. has/will continue to investigate and provide information to UN/War Crimes Tribunal regarding violations

of international human rights and humanitarian law

Shattuck has documented evidence of Bosnian Serb atrocities. Last August, he went to Central/Northeastern Bosnia, collected eyewitness accounts of mass executions, beatings, rape and other violations of human rights and international humanitarian law. Shattuck just returned to region to interview refugees in Zenica.

- ù Albright presented to UN Security Council compelling evidence gathered by US. Evidence based on US intelligence and photographic intelligence, strongly suggested mass grave sites in Srebrenica.

- ù Actively support international organizations like UNHCR and Red Cross to document fate and whereabouts of missing persons.

IRELAND

U.S. Role

- ù We are committed to working with the two governments and the parties to help in the search for peace.

- ù Thankful there has been a year in which the guns and bombs are silent.

- ù First time in a generation there is real hope for a lasting peace and a more prosperous future. People of Belfast are finally living a normal life.

- ù One can literally say that there are individuals walking the streets in Belfast alive today who would not be had we not gotten involved. American engagement has been an essential ingredient in the search for peace.

U.S. Meetings

- ù We have had a number of contacts over the last several weeks about how to move the peace process forward.

- ù Sinn Fein President Gerry Adams recently met with National Security Advisor Anthony Lake. The Vice

President joined them for part of the meeting.

- ù The Vice President and Mr. Lake met with UK Minister of State for Northern Ireland Michael Ancram.

- ù On September 29, the President saw Irish Deputy Prime Minister, Dick Spring, who was at the White House for a meeting with the Vice President.

- ù The Deputy Assistant to the President for National Security Affairs, Nancy Soderberg, recently conducted a round of consultations with all parties in Ireland and the UK.

- ù The National Security Advisor, Anthony Lake, held consultations in London with the British Government on Bosnia, Northern Ireland and other issues October 16-19. While there, he also met Northern Ireland political leaders, David Trimble of the UUP and John Hume of the SDLP..

- ù We are hopeful a way can be found to move things forward. Contacts with all the parties are continuing. We are not prepared to go into any detail.

NSA Lake's Trip to London

- ù NSA Lake was in London week October 16-19. He was there for consultations with the British Government on Bosnia, Northern Ireland, the President's trip, and other issues. While there, he also met with Northern Ireland political leaders.

- ù If asked: Mr. Lake was accompanied by Deputy NSA Nancy Soderberg and Director of European Affairs Mary Ann Peters.

Twin Track

- ù We see a basis for progress in the "twin-track" proposal to begin inclusive talks between the British and Irish Governments and the Northern Ireland political parties and to establish an international body to address the issue of decommissioning the paramilitaries' weapons.

- ù We will continue to encourage all sides to be flexible and find a way to move the process forward.

British Stalling on Talks?

ù As we have said, we hope that momentum will have been restored to the process by the time the President visits Northern Ireland at the end of November.

ù We believe Prime Minister Major is committed to achieving a lasting peace in Northern Ireland.

Position on Decommissioning:

ù On decommissioning of weapons, we have said that parties observing the cease-fire "must take the next step and begin to discuss serious decommissioning." We have made clear to Sinn Féin and loyalists that we expect movement on this issue.

Senator Mitchell to Chair Commission on Decommissioning?:

ù The two governments and parties are discussing the proposal. Have not yet made a decision.

ù It's premature to discuss any U.S. Government or private citizen role until there is a formal decision.

Comments of new UUP leader Trimble on twin track?

ù Trimble's speech of October 21 represented no change in the unionist position of opposition to the twin track approach.

ù Our view is that twin track strategy of the British and Irish Governments offers the best prospect for moving the peace process forward.

ù Looking forward to working with Mr. Trimble as we have with the Unionists over past year.

ù Looking forward to Mr. Trimble's visit to Washington next week.

(If asked):

ù Details of Trimble's schedule not yet finalized.

Paisley Visit

(If asked):

ù Paisley has asked for a White House appointment with NSA Lake and VP Gore. We are looking now for a time to schedule the meeting.

Deportations

[Irish groups mounting a campaign against deportation of former IRA members, some are married to U.S. citizens and/or have U.S. children. U.S. law provides no flexibility in prohibiting permanent residency to those linked to terrorism. We are looking into possible legislative waivers.]

ù Issue recently brought to our attention.

ù Law provides no flexibility on many cases.

ù Staff reviewing issue.

NATO ENLARGEMENT STUDY AND RUSSIA

Reaction to NATO enlargement study?

ù We welcome NATO approval on September 20 of its landmark study on enlarging the Alliance.

ù The study, which sets out the "how" and "why" of enlargement, was presented on Thursday (September 28) in Brussels to members of the Partnership for Peace (composed of CEE and NIS countries, including Russia). The general reaction was highly favorable.

ù Individual presentations will also be made to members who request them. NATO will assess the presentations and decide on next steps at its December 5 ministerial meeting in Brussels.

ù The study was commissioned by NATO Foreign Ministers meeting at NATO headquarters in December 1994.

ù The study is part of a gradual, deliberate process leading to the enlargement of the Alliance.

ù Our goal is to extend the security and stability represented by NATO into the new democracies that have arisen in Europe in the wake of the end of the Cold War.

ù By integrating them into NATO we hope to ensure the survival of their democratic and market economic reforms.

ù No decisions have yet been taken on whom to invite. Nor is there any timetable for when this will occur.

Enlargement will only occur when NATO is satisfied that prospective members can contribute to the overall security of the Alliance.

ù The "how" part of the study sets out a number of steps that interested potential members must take in order to be considered for membership. These include political and military steps that contribute to the democratic goals and overall security of the Alliance.

ù We should stress that no Partnership for Peace members are a priori excluded from the possibility of becoming NATO members.

Russian Reaction to NATO Enlargement

ù In addition to enlargement, NATO is also pursuing establishment of a parallel relationship with Russia. This is being done in recognition of the important role Russia has to play in European security.

ù We are aware that Russia has concerns about NATO enlargement. Russian Ambassador Churkin repeated these concerns following the enlargement briefing in Brussels on Thursday (September 28). We will continue working to overcome these concerns, which we believe are misplaced.

ù NATO enlargement is not aimed at Russia. NATO is a purely defensive organization. Our goal is to extend stability to areas of historic instability to ensure their future security.

ù Our purpose is to end the division of Europe, not to create new divisions.

ù At the same time, we have made clear to Moscow that enlargement will proceed in a gradual and transparent manner.

ù We strongly disagree with those who believe NATO should enlarge immediately just because Russia has concerns about enlargement.

ù Enlargement must be a deliberate process that takes into account our interests as well as those of our European partners and Allies.

NATO Adopts Go-Slow Approach on Enlargement

Can you comment on press reports from Williamsburg that NATO has adopted a go-slow approach to enlargement due to concerns over Russia? Russian Foreign Minister Kozyrev even welcomed the reports.

ù As Secretary Perry has made clear, this is a false report. NATO has not adopted a go-slow approach to

enlargement but is pursuing the "gradual, deliberate and transparent process" leading to enlargement that was foreseen by the Alliance from the very beginning.

ù There has been no acceleration or deceleration to the process.

ù NATO's approach to enlargement is spelled out clearly in the NATO enlargement strategy which was approved by NATO on September 20 and presented to members of the Partnership for Peace in Brussels on September 28.

ù No timetable exists at present, but NATO is committed to moving ahead. NATO enlargement is not a question of "if"; that issue has already been resolved.

TURKEY

NYT Editorial on Arms Sales to Turkey

Q: Any comment on the NYT editorial on Tuesday (October 17) calling for the U.S. to halt arms sales to Turkey because of human rights abuses.

A: We strongly disagree with the conclusions in the New York Times article.

Turkey is a close NATO ally located in an extremely important and dangerous part of the world.

The U.S. looks to Turkey for support for Operation Provide Comfort in northern Iraq and as a secular bulwark against the rising tide of Islamic fundamentalism in the region.

For more than ten years, Turkey has been fighting against a ruthless Kurdish terrorist group, the PKK, in the southeastern part of the country.

While Turkey clearly needs to work on improving its human rights record, we do not believe that cutting off financial assistance or halting military sales is the answer.

Any such moves would be likely to have the opposite effect from the one intended and could seriously damage U.S. security interests in the region.

We support the ongoing efforts of Prime Minister Ciller to implement her democratization program, which would address many of the concerns raised in the NYT editorial.

Turkish No-Confidence Vote and Demirel Postponement

Q: Any comment on Demirel's cancellation of his trip to Washington?

A: President Demirel postponed his working visit to Washington and his call on President Clinton scheduled for October 18.

He had to remain in Ankara to perform his constitutional duties in the wake of the no confidence vote against the Ciller government on Sunday (October 15) in the Turkish parliament.

Turkey and the United States have important business to conduct, and President Demirel remains most welcome here at a mutually convenient future date.

(If asked) No date has yet been set.

Q: What is your comment on the defeat of Turkish PM Ciller in the vote of no-confidence?

A: We are following developments with great interest.

President Demirel has subsequently asked Prime Minister Ciller to try to form a new government. That process is now underway. It would be inappropriate to speculate on the outcome.

Marcus Case

Q: Any comment on the Turkish court action October 12 on the case of Amcit Reuters reporter Aliza (a-LEE-za) Marcus?

A: We are following this case very closely. Ms. Marcus is charged with "inciting racial enmity" in an article published under her by-line which was published in a Turkish newspaper.

The article contained allegations that Turkish military authorities forcibly evacuated villages in southeastern Turkey to deny access to them by terrorist PKK forces.

Her case came to trial in Istanbul on Thursday (October 12), but the court continued the case until November 9 after hearing arguments.

We have expressed our deep concern over this case to the Turkish government and urged that the charges against Ms. Marcus be dropped.

We will continue to work with Turkish authorities for a successful resolution to this case.

RUSSIA/NIS

Current Items

Yeltsin Heart Problem

-- President Yeltsin hospitalized October 26 for heart trouble. Senior aides have said this episode similar to ischemic attack Yeltsin suffered last July and that Yeltsin will be under medical supervision through November.

-- President's thoughts with Yeltsin, as are our wishes for full and speedy recovery

-- Embassy Moscow has been in touch with Russian officials and conveyed President get well message today. What Embassy Moscow has heard about Yeltsin's condition tracks with what Russian officials are saying publicly.

(Impact on U.S.-Russian Relations)

-- Don't plan to speculate. Engagement and cooperative relationship in interests of both countries.

Kozyrev's Criticism of Yeltsin

-- Have seen report. Not appropriate to comment.

Cancellation of October 31 Moscow Meeting

-- Russians have canceled October 31 Yeltsin meeting with Izetbegovic, Tudjman and Milosevic due to Yeltsin's hospitalization.

-- Regret this meeting could not be held, but will go forward with proximity talks as scheduled on November 1. Russia will have senior representative in Dayton (Deputy Foreign Minister Ivanov).

-- Russians have helpfully supported Bosnia peace process. As was clear at Hyde Park, President Clinton and Yeltsin in full agreement on continuing support for process.

Russian Participation in IFOR

-- Presidents Clinton and Yeltsin agreed at Hyde Park on importance of Russian participation in Bosnia implementation force. They made some progress on specifics and agreed that Secretary Perry and Minister Grachev should continue to work this issue.

-- Perry and Grachev had good exchange on how Russian forces might participate on October 26. Partially narrowed gap between positions, but differences remain. Will continue discussion during October 27-28 travel to Ft. Riley to observe U.S.-Russia peacekeeping exercise and to Whiteman AFB to watch destruction of ICBM silo.

Hyde Park Meeting

-- Presidents Clinton and Yeltsin had warm, productive meeting at Hyde Park on October 23. Meeting underscored stability, inner strength of U.S.-Russia partnership; reaffirmed both Presidents' strong commitment to engagement.

-- Presidents spent majority of time on Bosnia. Full agreement on need to support peace process, which enters new stage when proximity talks begin next week.

-- Presidents also agreed on importance and value of Russian participation in Bosnia implementation force. Had good exchange of views on how Russian forces could participate. Made

some progress; discussed specifics on which they were in accord and decided that Secretary Perry and Defense Minister Grachev will meet very soon to discuss other points.

-- Presidents agreed to push hard for ratification of START II in both countries.

-- Presidents agreed to work together to get zero-yield Comprehensive Test Ban Treaty in 1996.

-- U.S.-Russian agreement on scope of CTBT's obligations (i.e., whether Treaty would

ban all nuclear tests or set threshold under which nuclear tests would be allowed) represents major breakthrough; helps clear way for completing Treaty by next spring so that it can be signed next fall.

Q: What "news" is there in Presidents Clinton and Yeltsin agreeing at Hyde Park to work together to succeed in getting a zero yield CTB next year? Didn't both Presidents agree long ago to work to achieve a CTB in 1996?

A: Yesterday's agreement by Presidents Clinton and Yeltsin to work together to succeed in getting a "zero yield" CTB next year represents a major breakthrough in the negotiations.

While both countries have been working to negotiate a CTB since January 1994, the key issue of the "scope" of the Treaty's obligations (i.e., whether the treaty would ban all nuclear tests or set a threshold under which nuclear tests would be allowed) has remained unresolved.

On August 11, President Clinton announced U.S. support for a "zero yield" CTB that would prohibit any nuclear weapons test explosion or any other nuclear explosion. Russia's agreement to this proposal, along with that of France and the United Kingdom, means that four of the five declared nuclear states -- along with almost all other states participating in the Geneva negotiations -- now agree on this key issue.

U.S., Russian, French and British agreement on "scope" will provide a significant boost to the negotiations and help clear the way for completing the treaty by next spring so that it can

be signed next fall.

-- Presidents reaffirmed importance they attach to ensuring security of nuclear weapons and materials. Welcomed joint report prepared by Vice President Gore and Prime Minister Chernomyrdin outlining specific measures to strengthen security of nuclear materials and directed its speedy implementation.

-- Presidents agreed on overall concept for resolving CFE flank zone issue. Concept based on realignment of map of Treaty flank areas. Scope of realignment and other specifics must be worked out and agreed by all 30 CFE parties in Vienna. U.S. and NATO allies seeking agreement by November 17, when CFE limits take effect.

General Items

U.S. Stake in Relationship

-- U.S. has vital stake in engaging Russia and supporting political, economic reform there. It matters greatly to us if Russia, other NIS are dictatorships or democracies, centrally planned or market-oriented economies.

-- Long-term strategy. Transformation underway will be complex, protracted. Struggle going on between those who support reform and those who oppose or fear change.

-- Engagement producing important successes: reducing nuclear threat, over 50% of Russian GDP now from private sector, no Russian troops in Central Europe or Baltics.

Cuts in/Conditions on Bilateral Aid

-- Have differences with Russians on important areas. Working hard to resolve these

-- But our assistance advances critical U.S. interests. It helps reformers succeed in building a democracy and a market economy, and it helps reduce nuclear threat to U.S. Not in our interest to cut this assistance.

Russian Concerns about NATO Enlargement

-- Understand Russia has concerns about NATO enlargement. Intend to manage enlargement process in deliberate, transparent manner that threatens no country and strengthens security and stability of Europe as a whole.

-- Russia a key player in building stable, undivided Europe. Our goal is to develop NATO-Russia relationship in parallel with NATO's process of taking in new members. Robust NATO-Russia relationship in interests of U.S., Europe and Russia.

Iran Reactor Sale

-- President has discussed Bushehr reactor sale with Yeltsin. Vice President and Prime Minister Chernomyrdin have begun serious dialogue that is continuing.

-- Have made clear and continue to stress our opposition to any nuclear cooperation with Iran, given Tehran's ambitions to acquire nuclear weapons capability.

Chechnya

-- Have seen reports that Russians will resume peace negotiations; cannot confirm yet. Do not expect recent changes in Russian team to affect negotiations. Welcome Prime Minister Chernomyrdin's recent reaffirmation of commitment to pursue negotiated settlement.

-- Talks were suspended over Chechen attacks, including attempt to assassinate Russian force commander in Grozny. Condemn attacks like that, whose purpose is to undermine the fragile effort to find negotiated settlement.

-- Dispute in Chechnya can only be resolved by negotiated settlement. Urge sides to work together to implement military agreement and to find political solution.

START II

Q: Is it true as reported today in the Washington Times that the Russian parliament is recommending major amendments to the START II Treaty?

A: The report referred to in today's Washington Times was a staff report prepared months ago for Duma Deputies prior to the first round of hearings in the Russian parliament on the START II Treaty.

As you all know, reports by legislative staff in advance of Committee hearings don't always accurately reflect the final outcome of the legislative process.

The Duma began formal hearings on START II in July, and those hearings are still going.

At Hyde Park, President's Clinton and Yeltsin agreed that they would both push hard for the ratification of START II.

EXIMBANK AND ILYUSHIN AIRCRAFT

Background: Last year, Pratt & Whitney applied for Export-Import Bank financing to support the export of U.S. engines and avionics, valued at \$1 billion, for 20 Russian-made IL-96 aircraft to be purchased by Aeroflot Russian International Airlines (ARIA). Eximbank is examining the financial merits of Pratt's application. In addition, Eximbank asked the Administration for policy guidance on the impact of the IL-96 project on the broad commercial interests of the U.S.

Although this is not yet public, the Administration is considering whether to support Eximbank financing for this particular transaction in exchange for an agreement on the part of the Russian government to suspend tariffs and non-tariff barriers that currently impede the sale of U.S. aircraft to Russian airlines. This support would be highly exceptional and would not serve as a precedent for any future requests for support of component sales into Russia/CIS. Boeing and McDonnell Douglas would likely withdraw their opposition to the IL-96 project under such conditions.

Points

(If asked) What about reports that Eximbank's Board of Directors will convene soon to give a green light to Pratt & Whitney and the IL-96 project?

-- As you know, the Gore-Chernomyrdin Commission has managed to secure billion dollars of U.S. investment in Russia to the benefit of the U.S. and Russian economies.

-- We've also been very clear that U.S. investments must go hand in hand with actions by the Russians to open their markets to U.S. products.

-- On the particular issue of IL-96, Eximbank has asked the Administration for its policy guidance on the Pratt application. However, the Administration is still examining the issue and has not yet provided its guidance. We do not anticipate providing that guidance in the immediate future.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

ù The United States and our NATO Allies have for some time been looking at ways to address Russian and Ukrainian concerns about the Treaty's "flank" limits.

ù Last [] month NATO presented a proposal to Russia in Brussels for a new approach to resolving this issue. Russia has reacted cautiously and will study the offer further.

ù The strategic picture has changed dramatically since the Treaty was signed in 1990. Neither the Warsaw Pact nor the Soviet Union exist. Forces once deployed by the USSR as far west as Eastern Germany have been withdrawn to Russia. We are looking at ways to respond to those changes, while maintaining the key elements of the Treaty.

ù NATO has developed this proposal as it prepares for the CFE Review Conference, established by the Treaty for May, 1996. Our goal is to preserve the viability of the Treaty, which remains a cornerstone of European security.

ù The "flank" issue does not concern the overall equipment limit for Russia and Ukraine, but the restrictions which the Treaty places on the amount of equipment permitted in certain regions. Russia and Ukraine have

participated fully in the Treaty's implementation over the past three years, destroying thousands of pieces of Treaty-limited equipment and submitting to hundreds of inspections under the terms of the Treaty.

ù We and our Allies continue to reject completely the Russian idea of an "exclusion zone" in its Caucasus region. There is no basis for such an "exclusion zone" in the Treaty.

ù Any solution must be acceptable to all Treaty parties. The forum for negotiation will be the CFE Joint Consultative Group in Vienna.

(If asked about statement by Senator Helms staff that Treaty changes are not likely to be approved "anytime soon":)

ù Any agreement along the lines of the NATO proposal would require the approval of Congress.

(If asked about President Yeltsin's comments on CFE at Hyde Park)

ù At Hyde Park, President Clinton and President Yeltsin did reach conceptual agreement on how to approach a solution to the CFE Flank issue. While much work remains, this was a real step forward.

IRAQ SANCTIONS

Background: On October 17, President Zayid of the UAE called for the lifting of UN sanctions on Iraq. His remarks were quickly echoed by the Secretary General of the Arab League and the Iraqi government.

Q: What is your reaction to recent demands from certain Arab leaders for the lifting of sanctions on Iraq?

A: We remain strongly opposed to any modification of the current sanctions against Iraq until it is in full compliance with all United Nations Security Council resolutions.

With regard to the humanitarian problems in Iraq, we are convinced that these are problems created by the Iraqi regime, and not by the sanctions.

The United Nations has made provisions by which Iraq could sell oil to buy food and

medicine
for its population, but the regime has refused to exercise this option.

The Iraqi regime has purposely refrained from providing its population with the food and
medicine they need to try to score propaganda points.

THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release October 24, 1995

STATEMENT BY THE PRESS SECRETARY

Both houses of Congress today passed by overwhelming margins bills that require the relocation of our Embassy
in Israel to Jerusalem by 1999. The President opposed this legislation. He is convinced its passage at this sensitive
time in the Israeli-Palestinian negotiations is a mistake.

The President said, "We have made more progress in less time on the Middle East peace process over the last
two years than at any time in the history of the Arab-Israeli conflict. A step such as this could hinder the peace
process. I will not let this happen, and will use the legislation's waiver authority to avoid damage to the peace
process."

The President's personal views on Jerusalem are a matter of public record and have not changed. His record of
friendship and support for Israel is clear and of long standing. But he remains convinced that it is unwise for the
United States to take actions that could be interpreted as prejudicing sensitive matters, such as Jerusalem, that the
parties themselves have agreed should be decided in final status talks.

The legislation passed this week contradicts that principle. As such, the President would not have hesitated
under different circumstances to veto it. But given the virtually unanimous votes by which these bills were
adopted, exercising that option in this case would not alter the outcome; it would o

nly prolong a divisive debate
and risk further damage to the peace process.

The President will not, however, sign this legislation. To do so would be inconsistent with his pledge to take no action which would undermine a peace process that shows so much promise of creating a better future for Israel and its neighbors. Therefore, when the bills passed this week become law, the President will use their waiver provisions to prevent the legislation from adversely affecting the Middle East peace process.

The Clinton Administration will continue to be a strong and fair-minded partner in support of all those who take risks for peace. President Clinton will not allow the legislation passed this week to interfere with that role.
#

ALGERIA

Q: Any reaction to the upcoming Algerian presidential elections?

A: We have made clear our belief that Algeria's crisis can only be resolved through political dialogue between all elements who disavow violence and terror.

We hope that political developments, including elections, take place in a manner which contribute to this process of national reconciliation.

AMMAN ECONOMIC SUMMIT

Q: What is the significance of the Amman Economic Summit

A: The Summit is expected to greatly contribute to the economic integration of the region through the development of cross-national economic ties, and regional projects.

Economic prosperity will be an important aspect of peace in the Middle East and North Africa. By facilitating this prosperity, the Summit will lay the economic foundations for a lasting peace.

Q: Where does the Middle East Development Bank (MEDB) stand? Are the European

ed to
the creation of the MEDB

A: The President strongly supports the creation of a soundly structured regional bank.

There is wide support for the MEDB from regional states and from key potential contributors such as Japan and members of the EU. Details remain to be worked out on some issues regarding the Bank's structure and operations.

ACCOMPLISHMENTS OF MEETING WITH PRESIDENT JIANG

- ù Meeting facilitated mutual understanding of the importance of good U.S.-China relations -- not only for people of both countries, but also for the region and the world.

- ù Principal achievement was restoring the communication process between our two governments that had been sharply reduced by China following the Lee Teng-hui visit. Process essential to our policy of comprehensive engagement with China.

- ù Restoration of open and honest dialogue on a number of important issues will enable us to work out differences, solve problems, find common ground, develop relations further in cooperative spirit. New dialogues on environment & sustainable development, regional and UN issues will create new areas of cooperation.

- ù Presidents agreed to meet to exchange views on bilateral issues more frequently, and to consider establishing a means of communicating by telephone as well. Next meeting at APEC/Osaka.

- ù Discussed specific bilateral issues in detail, including trade, China's accession to World Trade Organization, Comprehensive Test Ban Treaty, nonproliferation, human rights, military-to-military exchanges, and Taiwan. Enhanced mutual understanding of each others' positions, agreed to work on problems through dialogue.

CHINA

Three Gorges

Background: An article in Friday's WSJ notes that an IWG has recommended to Ex-ank that the Chinese Three Gorges Dam project not be financed. The article extensively and accurately quotes a memo signed by Sandy Berger.

Points

-- NSC concluded that the USG should not offer commercial assistance to the Three Gorges project because of environmental and human rights concerns related to the project.

-- We have opposed projects with similar concerns at the World Bank and believe our policy should be consistent in this case.

-- We believe any effort to provide commercial assistance would be taken to court for a protracted period anyway.

-- We have significant concerns about the project's financial feasibility. We believe that official Chinese government estimates of cost may be far too low.

-- The decision is not binding on the Ex-Im Bank. The board will consider our conclusions and base its decisions on the statutory requirements for financial, technical, environmental soundness.

-- The NSC conclusion does not preclude U.S. companies from doing business at the Three Gorges. It only extends to the role of the USG in the project.

MEXICO

Background: In trading yesterday, the value of the peso fell 8 percent for a total decline this month of 15 percent from September levels. The peso is very near the level it reached last March when the stabilization package was finalized. Market jitters are attributed to a variety of factors, among them higher than expected inflation in Mexico and the arrest of an EZLN rebel leader (the Mexican Attorney General has a

d that charges against the suspect be dropped).

Points

- ù We are encouraged by Mexico's success to date in implementing strong economic policies.

- ù We have always been aware that the road back for Mexico would be a long one. During his visit here, President Zedillo reiterated his government's commitment to keep economic policies on track in order to get the job done. This is the key for Mexico's full recovery.

CUBA

HELMS BILL

Background

Helms' Cuba bill passed by a vote of 74-24 after Title III, its most controversial provision -- which would have opened our courts to lawsuits against anyone dealing with expropriated property in Cuba -- was withdrawn. The Administration still has some problems with the bill, but the decision to remove Title III is a step in the right direction.

Points

- From the outset of the debate on the Helms/Burton bills, we made clear the Administration was determined to work with Congress so that the legislation on which our Cuba policy is based could continue to enjoy wide bipartisan support.

- The action on the floor of the Senate will help to advance this goal. We look forward to cooperation with the Congress to address those aspects of the legislation that still concern us.

- The objective of Administration policy remains to promote a peaceful democratic transition in Cuba through an effective economic embargo and effective support for the Cuban people.

CASTRO VISA APPLICATION

Background: President Castro was granted a visa to come to the U.S. as head of the Cuban delegation to the special session of the UNGA to commemorate the UN's 50th anniversary.

Points

- ù President Castro applied for a visa on October 9 to attend the special session of the UNGA.
- ù After careful consideration of his application in light of the United States' obligations under the United Nations headquarters agreement and in accordance with U.S. law, the State Department has decided to grant President Castro a visa.
- ù Castro himself applied for and received visas in 1960 and 1979 to attend sessions of the General Assembly in New York.

CUBAN DEMOCRACY ACT

- The President decided to take a series of steps to invigorate the Cuban Democracy Act's (CDA) goal of promoting a peaceful transition to democracy in Cuba.
- These steps are consistent with the spirit and the letter of the CDA and implement precisely what it calls for: Use the embargo effectively to put pressure on the Castro government and help those people and forces in Cuba that are struggling for democratic change.
- Nothing in these decisions reflects a weakening of our commitment to the embargo. On the contrary: Every element of the embargo remains in place and the means to enforce it will be strengthened. At the same time, this Administration will reenergize its efforts to reach out to the Cuban people through the free flow of ideas and information and by strengthening the island's fledgling civil society.

ENFORCING THE EMBARGO

- The President has directed that the office in charge of enforcing the embargo, the Office of Foreign Assets Control be significantly beefed up, both here and in Miami.

-- The Attorney General is also reviewing how best to enforce the provisions of the embargo.

-- If we are serious about going after those who violate the embargo, then we ought to make sure that we have rules that can be complied with. Today, many Cuban-Americans circumvent the travel rules and go to Cuba without a license. They do not do it to flout the law or because they do not believe in the embargo. They do it because of the time it takes to get the license and because in many instances time is of the essence. Therefore, the President has decided to provide a general license for Cuban-Americans to make an annual visit to Cuba for humanitarian reasons. This will help those who really need to travel on an urgent basis. It will cut down on violations of the embargo. And it will make enforcement of the law fairer and easier.

REACHING OUT TO THE CUBAN PEOPLE

-- We share the CDA's commitment to promote democracy in Cuba through the power of ideas and by reaching out to the Cuban people.

-- Our other decisions are designed to strengthen those on the island who can be agents of change: Human rights activists, dissidents, independent organizations.

-- First, the President has authorized the establishment of reciprocal news bureaus in Cuba and the U.S. Of course, we will not approve Cuban bureaus until a full range of US news bureaus are granted entry to Cuba. This decision will significantly increase the flow of news to and from Cuba, thereby helping the Cuban people escape their state's monopoly over information.

-- Second, we will allow U.S. NGOs to help their counterparts in Cuba in a variety of ways.

-- US NGOs will be authorized to provide support to human rights organizations and other NGOs in Cuba.

-- The USG will be providing a grant to Freedom House to work with Cuban NGOs to advance the cause of democracy.

-- We will allow the sale and donation of communications equipment -- such as fax machines, copiers, computers, etc. -- to Cuban NGOs who promote democratic values and respect for human rights.

-- Third, travel regulations will be amended to clarify who can and cannot go to Cuba. Under these new regulations, transactions to finance tourist travel to Cuba remain prohibited. Like other elements of the embargo, this ban will be more strictly enforced than before. At the same time, the rules will make clear that travel for scientific, news-gathering, educational, cultural, religious purposes, or for the purpose of helping independent activities on the island, is permitted.

WESTERN UNION

-- Finally, the President has decided to authorize Western Union to set up offices here and in Cuba to send wire transfers more simply and at a lower cost to those who need to pay emigration fees or for family emergencies. The rules on remittances remain the same -- Western Union simply will make transfers easier and cheaper.

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

Background: There have been press reports in recent days that Russian authorities are investigating the possibility that a former Russian General, Anatoli Kuntsevich, illegally provided chemical weapons materials to buyers in the Middle East. In a letter to the President this week, Senator Helms seized on the issue as a (new) justification for continuing to hold the Chemical Weapons Convention hostage.

Q: Do you have any further information on press reports that Russia is investigating the possible smuggling of chemical weapons materials by former General Kuntsevich?

A: We too have seen press reports about the investigation.

They indicate that Russian authorities are conducting a criminal investigation of the matter. Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

Q: Is the U.S. assisting the investigation?

A: The smuggling of materials for weapons of mass destruction, whether nuclear, chemical or biological, is of vital concern to the U.S.

Press reports indicate that Russian law enforcement authorities are investigating the matter. If there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

A: The Russian Government has this matter under investigation.

We do not know what the outcome of that investigation will be.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this issue?

A: Senator Helms has expressed concern over this issue.

We share those concerns.

That said, rather than being an argument against the CWC, this underscores why it is so important for the U.S. to ratify it quickly.

Q: How does the CWC help deal with problems such as this?

A: The CWC imposes a legally-binding prohibition on the transfer of CW-related materials.

In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

The treaty also requires that Parties enact domestic legislation imposing severe penalties on those who violate these or any other treaty obligations.

Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide

access to information that could reveal or even confirm a potential transfer problem

In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Kuntsevich is being investigated.

As the President has done on repeated occasions, we urge the Senate to move forward with ratification of this vital treaty.

SOUTH PACIFIC NUCLEAR FREE ZONE

If asked about the October 20 U.S./UK/France announcement concerning signature of the Protocols to the South Pacific Nuclear Free Zone:

ù Today, the United States, France and the United Kingdom jointly announced their intention to sign the relevant protocols of the South Pacific Nuclear Free Zone Treaty in the first half of 1996.

ù This Treaty, also known as the Treaty of Rarotonga, creates a nuclear free zone in the South Pacific.

ù The announcement today reflects a number of positive developments that have occurred recently, such as the extension of the NPT indefinitely and without condition and progress on a Comprehensive Test Ban Treaty.

ù I believe we can provide you with the text of the joint declaration and a fact sheet with more details.

[If asked: When will the United States sign the protocols to the Treaty? Will the United States wait until France completes its testing in the South Pacific before signing the protocols? Will the U.S., UK and France jointly sign the protocols?]

ù The U.S. will sign the protocols in the first half of 1996. Since we still have some work to do within the USG before we are in a position to sign the protocols, we have not yet decided on a specific date for signature.

ù I expect we will continue our close consultations with the British and French on this issue.

[If asked: How does this decision affect the U.S. position on the resumption of nuclear weapons testing by France and China?]

ù Our position on the resumption of nuclear testing by these countries is a matter of record and has not changed.

CONGRESSIONAL CONFERENCE REPORT ON DEFENSE APPROPRIATION

Background: On September 29, the House rejected by a wide margin the conference report on the FY 1996 Defense Appropriations Bill. As reported by the conferees, the bill would have provided for a \$243 billion defense budget for next year -- \$6.7 billion more than requested by the Administration. The bill's defeat in the House was attributable to a strong bloc of "pro-life" Members concerned by the watering down of the House-passed provision in the bill on abortion and other Members opposed to the increase in spending for programs such as the B-2 and National Missile Defense.

Points

- Committed to maintaining best trained, best equipped, most ready armed forces in the world.
- The Administration's budget protects readiness and ensures we are prepared to defend American interests.
- Although the conferees did remove objectionable policy provisions and other unacceptable restrictions on my prerogatives as Commander in Chief and they did fund several important programs of priority interest to this Administration (e.g., Nunn-Lugar and TRP), I am very concerned by the inclusion of almost \$7 billion for procurement and R&D spending we did not request.
- With the defeat of the Conference Report by the House, the bill now goes back to the conference to be reworked. As the conferees consider how to revise the bill to improve its prospects

of ever being enacted into law, it is important that they understand that absent a broader agreement with Congress that provides adequate funding for crucial domestic programs that are underfunded in other appropriations bills, the President will veto any defense appropriations bill that adds extra billions for defense programs not in my request.

M S M a i l

DATE-TIME 27 October 95 16:16
FROM Wozniak, Natalie S.
CLASSIFICATION UNCLASSIFIED
SUBJECT October 27 Press Guidance [UNCLASSIFIED]
TO Beardsley, Tyler S.
Reed, George
Woolston, Ann E.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY [[OCT27GUI.DOC : 4189 in OCT27GUI.DOC]]

**ATTACHMENT
FILE DATE** 27 October 95 15:27
**ATTACHMENT
FILE NAME** OCT27GUI.DOC
NATIONAL SECURITY AFFAIRS GUIDANCE

October 27, 1995

CANADA
Quebec

EUROPE
Bosnia/Croatia
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QUEBEC

Q: What is the White House position on the referendum on Quebec sovereignty?

A: This is obviously an internal Canadian issue. It's going to be decided locally. However, I can say on behalf of the President that a strong and united Canada has proven to be a great country as well as a powerful ally, and we hope it will continue.

(Additional final line suggested by Ambassador Blanchard) I am sure that most Americans agree.

(If pressed further) I would recall what the President said before the Canadian Parliament in February:

"In a world darkened by ethnic conflicts ... Canada has stood ... as a model of how people of different cultures can live and work together in peace, prosperity and respect."

[IF ASKED]

Q: Do you support Secretary Christopher's statement that Quebec would not enjoy the same type of relationship?

A: (If raised) As Secretary Christopher explained, the ties between our two countries have been carefully cultivated, and we should not take for granted that a new entity would have exactly the same kind of ties.

Q: What is the Administration's position on NAFTA membership for an independent country?

A: (If raised) This is a hypothetical situation, and any speculation would be inappropriate. I can say, however, that nothing is automatic. Complicated legal issues are involved, and we have given no assurances to any party.

BOSNIA/CROATIA

Atrocities

- ù Continue to condemn these gross violations of human rights.
- ù Led vigorous effort to uncover/publicize evidence of war crimes in Balkans.
- ù Shattuck three times raised issue with Serbs.
- ù President (October 15) said we fully support war crimes International Tribunal.
- ù Actively support investigating international organizations (UNHCR , Red Cross)
- ù Stopping atrocities one main reason for active U.S. role in the peace negotiations

Srebrenica

- ù Did not know anymore than UN about the Bosnian Serb's intent to attack Srebrenica
- ù Did not have prior info on BSA intent to commit atrocities.

12-Month IFOR Time Limit

- ù U.S. position: IFOR military aspects should have finite duration (NATO/NAC agreed)
- ù Believe military aspects accomplished in about one year.
- ù Will not make final decision on duration until final peace agreement/completed OI AN.
- ù 12 months NATO planning figure not been formally adopted by Alliance.

- ù One year sufficient to establish stable ground situation.

- ù Desire to create stable balance through arms reductions, but this will also require some military support for Federation forces to ensure they have an effective self-defense capability.

Russian IFOR Participation

- ù Hope Russia will participate in IFOR. Consistent with important role Russia plays in diplomatic process.

- ù Mission requires NATO backbone of IFOR, single chain of command and robust.

- ù Prefer NATO/Russian forces not separated between Federation and Serb areas.

- ù Major Hyde Park topic of discussion.

- ù Yesterday Perry/Grachev met to discuss Russian roles/functions in IFOR. Talks productive, progress made, work will continue through Saturday.

- ù French understand our position. Wrote letter to Chirac to this effect last Friday

Diplomatic Track: Next Steps

- ù Cease-fire remains in effect and fighting stopped throughout most of Bosnia.

- ù President reviewed preparations for peace talks with Russian President Yeltsin at Hyde Park, as well as Russia's role in the implementation on Monday.

- ù Our negotiating team is in New York today completing preparations for proximity talks that will begin November 1 in Dayton, Ohio.

- ù President met Izetbegovic and Tudjman, Tuesday, in New York to encourage flexibility in talks/importance of strengthening cooperation within Bosnian-Croat Federation.

Proximity Talks

- ù Although Moscow meeting canceled, proximity talks still scheduled Nov. 1.

- ù Talks co-chaired by Holbrooke/Bildt. Goal to secure final peace agreement that parties will initial in Dayton.

- ù Balkan parties: Presidents Izetbegovic, Tudjman, and Milosevic plus Contact Group partners.

ù Intensive U.S. /CG diplomacy - parties agreed Geneva (9/8/95)/New York (9/26/95) to settlement basic principles: Bosnia as single state; 51/49 basis for territorial solution; constitutional structure; democratic elections; and subsequently to cease-fire.

ù Difficult issues still to be resolved: (i) internal boundary for Bosnian-Croat Federation/Serb Republic; (ii) Sarajevo status; (iii) practical steps to separate forces /ceasing hostilities; (iv) election procedures.

ù Dayton will not focus on Eastern Slavonia.

ù After Dayton, next steps: Paris international peace conference and implementation conference in London. May be meetings after Paris before final settlement signed.

ù U.S./CG continue to do everything to press for peace. Only parties can make it.

ù No set duration.

Peace Plan Implementation

ù NAC approved concept of ops for IFOR.

ù Detailed planning by NATO Military Authorities will proceed.

ù Joulwan briefed President and national security team last week on state of NATO's plans.

ù Number of forces for operation not determined - will depend on peace agreement realities.

ù NATO briefed UN, UN Peace Force contributors, and interested PFP countries this week, contributions by non-NATO countries would be welcome.

ù Churkin attended "16-plus-one" with NAC last week to discuss NATO's planning.

ù Concept of ops 5 phases:

- Phase I: Preparation Phase. Presently in this phase now.

- Phase II: Entry. Begin after signing of peace agreement. Military forces would deploy to area by sea/land.

- Phase III: Implementation. Deployment of forces in country to secure critical areas and man

outposts.

- Phase IV: Transition to Peace. Initial robust forces slowly drawdown over year as peace agreement took affect.

- Phase V: Exit. Orderly hand over of commitments to appropriate civilian organizations and withdrawal of IFOR and equipment.

Congressional Approval

- ù Last week, letter to Byrd, President told Congress he would request endorsement at the appropriate time.

- ù Our position regarding President's constitutional prerogatives has not changed.

War Criminals

- ù IFOR mission is to implement the peace agreement.

- ù Pursuing war criminals not in mission, but will take into custody if come into contact.

Military Stabilization

- ù Our goal to establish stability on ground by time IFOR completes mission. One of the keys to ensuring settlement does not break down after IFOR leaves.

- ù Preference for balance of forces between Federation/Bosnian Serbs through arms control measures that provide for a "build-down."

- ù Arms control by itself unlikely to achieve stable balance, prepared to equip/train Federation forces to ensure effective self-defense capability.

- ù Effort separate from NATO-led implementation force. First step: lifting of arms embargo.

New Ethnic Cleansing/Reports of Mass Graves

- ù U.S. has/will continue to investigate and provide information to UN/War Crimes Tribunal regarding violations of international human rights and humanitarian law

Shattuck has documented evidence of Bosnian Serb atrocities. Last August, he went to Central/Northeastern

Bosnia, collected eyewitness accounts of mass executions, beatings, rape and other violations of human rights and international humanitarian law. Shattuck just returned to region to interview refugees in Zenia.

- ù Albright presented to UN Security Council compelling evidence gathered by US. Evidence based on US intelligence and photographic intelligence, strongly suggested mass grave sites in Srebrenica.

- ù Actively support international organizations like UNHCR and Red Cross to document fate and whereabouts of missing persons.

IRELAND

U.S. Role

- ù We are committed to working with the two governments and the parties to help in the search for peace.

- ù Thankful there has been a year in which the guns and bombs are silent.

- ù First time in a generation there is real hope for a lasting peace and a more prosperous future. People of Belfast are finally living a normal life.

- ù One can literally say that there are individuals walking the streets in Belfast alive today who would not be had we not gotten involved. American engagement has been an essential ingredient in the search for peace.

U.S. Meetings

- ù We have had a number of contacts over the last several weeks about how to move the peace process forward.

- ù Sinn Fein President Gerry Adams recently met with National Security Advisor Anthony Lake. The Vice President joined them for part of the meeting.

- ù The Vice President and Mr. Lake met with UK Minister of State for Northern Ireland Michael Ancram.

ù On September 29, the President saw Irish Deputy Prime Minister, Dick Spring, who was at the White House for a meeting with the Vice President.

ù The Deputy Assistant to the President for National Security Affairs, Nancy Soderberg, recently conducted a round of consultations with all parties in Ireland and the UK.

ù The National Security Advisor, Anthony Lake, held consultations in London with the British Government on Bosnia, Northern Ireland and other issues October 16-19. While there, he also met Northern Ireland political leaders, David Trimble of the UUP and John Hume of the SDLP..

ù We are hopeful a way can be found to move things forward. Contacts with all the parties are continuing. We are not prepared to go into any detail.

NSA Lake's Trip to London

ù NSA Lake was in London week October 16-19. He was there for consultations with the British Government on Bosnia, Northern Ireland, the President's trip, and other issues. While there, he also met with Northern Ireland political leaders.

ù If asked: Mr. Lake was accompanied by Deputy NSA Nancy Soderberg and Director of European Affairs Mary Ann Peters.

Twin Track

ù We see a basis for progress in the "twin-track" proposal to begin inclusive talks between the British and Irish Governments and the Northern Ireland political parties and to establish an international body to address the issue of decommissioning the paramilitaries' weapons.

ù We will continue to encourage all sides to be flexible and find a way to move the process forward.

British Stalling on Talks?

ù As we have said, we hope that momentum will have been restored to the process by the time the President visits Northern Ireland at the end of November.

ù We believe Prime Minister Major is committed to achieving a lasting peace in Northern Ireland.

Position on Decommissioning:

ù On decommissioning of weapons, we have said that parties observing the cease-fire "must take the next step and begin to discuss serious decommissioning." We have made clear to Sinn Féin and loyalists that we expect movement on this issue.

Senator Mitchell to Chair Commission on Decommissioning?:

ù The two governments and parties are discussing the proposal. Have not yet made a decision.

ù It's premature to discuss any U.S. Government or private citizen role until there is a formal decision.

Comments of new UUP leader Trimble on twin track?

ù Trimble's speech of October 21 represented no change in the unionist position of opposition to the twin track approach.

ù Our view is that twin track strategy of the British and Irish Governments offers the best prospect for moving the peace process forward.

ù Looking forward to working with Mr. Trimble as we have with the Unionists over past year.

ù Looking forward to Mr. Trimble's visit to Washington next week.

(If asked):

ù Details of Trimble's schedule not yet finalized.

Paisley Visit

ù Paisley met with NSA Lake and VP Gore today.

Deportations

[Irish groups mounting a campaign against deportation of former IRA members, some are married to U.S. citizens and/or have U.S. children. U.S. law provides no flexibility in prohibiting permanent residency to those linked to terrorism. We are looking into possible legislative waivers.]

ù Issue recently brought to our attention.

ù Law provides no flexibility on many cases.

ù Staff reviewing issue.

NATO ENLARGEMENT STUDY AND RUSSIA

Reaction to NATO enlargement study?

ù We welcome NATO approval on September 20 of its landmark study on enlarging the Alliance.

ù The study, which sets out the "how" and "why" of enlargement, was presented on Thursday (September 28) in Brussels to members of the Partnership for Peace (composed of CEE and NIS countries, including Russia). The general reaction was highly favorable.

ù Individual presentations will also be made to members who request them. NATO will assess the presentations and decide on next steps at its December 5 ministerial meeting in Brussels.

ù The study was commissioned by NATO Foreign Ministers meeting at NATO headquarters in December 1994.

ù The study is part of a gradual, deliberate process leading to the enlargement of the Alliance.

ù Our goal is to extend the security and stability represented by NATO into the new democracies that have arisen in Europe in the wake of the end of the Cold War.

ù By integrating them into NATO we hope to ensure the survival of their democratic and market economic reforms.

ù No decisions have yet been taken on whom to invite. Nor is there any timetable for when this will occur. Enlargement will only occur when NATO is satisfied that prospective members can contribute to the overall security of the Alliance.

ù The "how" part of the study sets out a number of steps that interested potential members must take in

order to be considered for membership. These include political and military steps that contribute to the democratic goals and overall security of the Alliance.

ù We should stress that no Partnership for Peace members are a priori excluded from the possibility of becoming NATO members.

Russian Reaction to NATO Enlargement

ù In addition to enlargement, NATO is also pursuing establishment of a parallel relationship with Russia. This is being done in recognition of the important role Russia has to play in European security.

ù We are aware that Russia has concerns about NATO enlargement. Russian Ambassador Churkin repeated these concerns following the enlargement briefing in Brussels on Thursday (September 28). We will continue working to overcome these concerns, which we believe are misplaced.

ù NATO enlargement is not aimed at Russia. NATO is a purely defensive organization. Our goal is to extend stability to areas of historic instability to ensure their future security.

ù Our purpose is to end the division of Europe, not to create new divisions.

ù At the same time, we have made clear to Moscow that enlargement will proceed in a gradual and transparent manner.

ù We strongly disagree with those who believe NATO should enlarge immediately just because Russia has concerns about enlargement.

ù Enlargement must be a deliberate process that takes into account our interests as well as those of our European partners and Allies.

NATO Adopts Go-Slow Approach on Enlargement

Can you comment on press reports from Williamsburg that NATO has adopted a go-slow approach to enlargement due to concerns over Russia? Russian Foreign Minister Kozyrev even welcomed the reports.

ù As Secretary Perry has made clear, this is a false report. NATO has not adopted a go-slow approach to

enlargement but is pursuing the "gradual, deliberate and transparent process" leading to enlargement that was foreseen by the Alliance from the very beginning.

ù There has been no acceleration or deceleration to the process.

ù NATO's approach to enlargement is spelled out clearly in the NATO enlargement policy which was approved by NATO on September 20 and presented to members of the Partnership for Peace in Brussels on September 28.

ù No timetable exists at present, but NATO is committed to moving ahead. NATO's position is not a question of "if"; that issue has already been resolved.

RUSSIA/NIS

Current Items

Yeltsin Heart Problem

-- President Yeltsin hospitalized October 26 for heart trouble. Senior aides have said this episode similar to ischemic attack Yeltsin suffered last July and that Yeltsin will be under medical supervision through November.

-- President's thoughts with Yeltsin, as are our wishes for full and speedy recovery

-- Embassy Moscow has been in touch with Russian officials and conveyed President's get well message today. What Embassy Moscow has heard about Yeltsin's condition tracks with what Russian officials are saying publicly.

(Impact on U.S.-Russian Relations)

-- Don't plan to speculate. Engagement and cooperative relationship in interests of both countries.

Kozyrev's Criticism of Yeltsin

-- Have seen report. Not appropriate to comment.

Cancellation of October 31 Moscow Meeting

-- Russians have canceled October 31 Yeltsin meeting with Izetbegovic, Tudjman and Milosevic due to Yeltsin's hospitalization.

-- Regret this meeting could not be held, but will go forward with proximity talks as scheduled on November 1. Russia will have senior representative in Dayton (Deputy Foreign Minister Ivanov).

-- Russians have helpfully supported Bosnia peace process. As was clear at Hyde Park, President Clinton and Yeltsin in full agreement on continuing support for process.

Russian Participation in IFOR

-- Presidents Clinton and Yeltsin agreed at Hyde Park on importance of Russian participation in Bosnia implementation force. They made some progress on specifics and agreed that Secretary Perry and Minister Grachev should continue to work this issue.

-- Perry and Grachev had good exchange on how Russian forces might participate on October 26. Partially narrowed gap between positions, but differences remain. Will continue discussion during October 27-28 travel to Ft. Riley to observe U.S.-Russia peacekeeping exercise and to Whiteman AFB to watch destruction of ICBM silo.

Hyde Park Meeting

-- Presidents Clinton and Yeltsin had warm, productive meeting at Hyde Park on October 23. Meeting underscored stability, inner strength of U.S.-Russia partnership; reaffirmed both Presidents' strong commitment to engagement.

-- Presidents spent majority of time on Bosnia. Full agreement on need to support peace process, which enters new stage when proximity talks begin next week.

-- Presidents also agreed on importance and value of Russian participation in Bosnia implementation force. Had good exchange of views on how Russian forces could participate. Made some progress; discussed specifics on which they were in accord and decided that Secretary Perry and Defense Minister Grachev will meet very soon to discuss other points.

- Presidents agreed to push hard for ratification of START II in both countries.
- Presidents agreed to work together to get zero-yield Comprehensive Test Ban Treaty in 1996.
- U.S.-Russian agreement on scope of CTBT's obligations (i.e., whether Treaty would

ban all nuclear tests or set threshold under which nuclear tests would be allowed) represents major breakthrough; helps clear way for completing Treaty by next spring so that it can be signed next fall.

Q: What "news" is there in Presidents Clinton and Yeltsin agreeing at Hyde Park to work together to succeed in getting a zero yield CTB next year? Didn't both Presidents agree long ago to work to achieve a CTB in 1996?

A: Yesterday's agreement by Presidents Clinton and Yeltsin to work together to succeed in getting a "zero yield" CTB next year represents a major breakthrough in the negotiations.

While both countries have been working to negotiate a CTB since January 1994, the key issue of the "scope" of the Treaty's obligations (i.e., whether the treaty would ban all nuclear tests or set a threshold under which nuclear tests would be allowed) has remained unresolved.

On August 11, President Clinton announced U.S. support for a "zero yield" CTB that would prohibit any nuclear weapons test explosion or any other nuclear explosion. Russia's agreement to this proposal, along with that of France and the United Kingdom, means that four of the five declared nuclear states -- along with almost all other states participating in the Geneva negotiations -- now agree on this key issue.

U.S., Russian, French and British agreement on "scope" will provide a significant boost to the negotiations and help clear the way for completing the treaty by next spring so that it can be signed next fall.

- Presidents reaffirmed importance they attach to ensuring security of nuclear weapons and

materials. Welcomed joint report prepared by Vice President Gore and Prime Minister Chernomyrdin outlining specific measures to strengthen security of nuclear materials and directed its speedy implementation.

-- Presidents agreed on overall concept for resolving CFE flank zone issue. Concept based on realignment of map of Treaty flank areas. Scope of realignment and other specifics must be worked out and agreed by all 30 CFE parties in Vienna. U.S. and NATO allies seeking agreement by November 17, when CFE limits take effect.

General Items

U.S. Stake in Relationship

-- U.S. has vital stake in engaging Russia and supporting political, economic reform there. It matters greatly to us if Russia, other NIS are dictatorships or democracies, centrally planned or market-oriented economies.

-- Long-term strategy. Transformation underway will be complex, protracted. Struggle going on between those who support reform and those who oppose or fear change.

-- Engagement producing important successes: reducing nuclear threat, over 50% of Russian GDP now from private sector, no Russian troops in Central Europe or Baltics.

Cuts in/Conditions on Bilateral Aid

-- Have differences with Russians on important areas. Working hard to resolve these

-- But our assistance advances critical U.S. interests. It helps reformers succeed in building a democracy and a market economy, and it helps reduce nuclear threat to U.S. Not in our interest to cut this assistance.

Russian Concerns about NATO Enlargement

-- Understand Russia has concerns about NATO enlargement. Intend to manage enlargement process in deliberate, transparent manner that threatens no country and strengthens

security and stability
of Europe as a whole.

-- Russia a key player in building stable, undivided Europe. Our goal is to develop
NATO-Russia
relationship in parallel with NATO's process of taking in new members. Robust NA
Russia
relationship in interests of U.S., Europe and Russia.

Iran Reactor Sale

-- President has discussed Bushehr reactor sale with Yeltsin. Vice President and Pr
ime Minister
Chernomyrdin have begun serious dialogue that is continuing.

-- Have made clear and continue to stress our opposition to any nuclear cooperation
with Iran,
given Tehran's ambitions to acquire nuclear weapons capability.

Chechnya

-- Have seen reports that Russians will resume peace negotiations; cannot confirm y
t. Do not
expect recent changes in Russian team to affect negotiations. Welcome Prime Minis
r Chernomyrdin's
recent reaffirmation of commitment to pursue negotiated settlement.

-- Talks were suspended over Chechen attacks, including attempt to assassinate Russ
an force
commander in Grozny. Condemn attacks like that, whose purpose is to undermine th
ragile effort to
find negotiated settlement.

-- Dispute in Chechnya can only be resolved by negotiated settlement. Urge sides to
work
together to implement military agreement and to find political solution.

START II

Q: Is it true as reported today in the Washington Times that the Russian parliament
is
recommending major amendments to the START II Treaty?

A: The report referred to in today's Washington Times was a staff report prepared m
onths ago
for Duma Deputies prior to the first round of hearings in the Russian parliament on

the START II Treaty.

As you all know, reports by legislative staff in advance of Committee hearings don't always accurately reflect the final outcome of the legislative process.

The Duma began formal hearings on START II in July, and those hearings are still going.

At Hyde Park, President's Clinton and Yeltsin agreed that they would both push hard for the ratification of START II.

EXIMBANK AND ILYUSHIN AIRCRAFT

Background: Last year, Pratt & Whitney applied for Export-Import Bank financing to support the export of U.S. engines and avionics, valued at \$1 billion, for 20 Russian-made IL-96 aircraft to be purchased by Aeroflot Russian International Airlines (ARIA). Eximbank is examining the financial merits of Pratt's application. In addition, Eximbank asked the Administration for policy guidance on the impact of the IL-96 project on the broad commercial interests of the U.S.

Although this is not yet public, the Administration is considering whether to support Eximbank financing for this particular transaction in exchange for an agreement on the part of the Russian government to suspend tariffs and non-tariff barriers that currently impede the sale of U.S. aircraft to Russian airlines. This support would be highly exceptional and would not serve as a precedent for any future requests for support of component sales into Russia/CIS. Boeing and McDonnell Douglas would likely withdraw their opposition to the IL-96 project under such conditions.

Points

(If asked) What about reports that Eximbank's Board of Directors will convene soon to give a green light to Pratt & Whitney and the IL-96 project?

-- As you know, the Gore-Chernomyrdin Commission has managed to secure billions of U.S. investment in Russia to the benefit of the U.S. and Russian economies.

-- We've also been very clear that U.S. investments must go hand in hand with actions by the Russians to open their markets to U.S. products.

-- On the particular issue of IL-96, Eximbank has asked the Administration for its policy guidance on the Pratt application. However, the Administration is still examining the issue and has not yet provided its guidance. We do not anticipate providing that guidance in the immediate future.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

ù The United States and our NATO Allies have for some time been looking at ways to address Russian and Ukrainian concerns about the Treaty's "flank" limits.

ù Last [] month NATO presented a proposal to Russia in Brussels for a new approach to resolving this issue. Russia has reacted cautiously and will study the offer further.

ù The strategic picture has changed dramatically since the Treaty was signed in 1990. Neither the Warsaw Pact nor the Soviet Union exist. Forces once deployed by the USSR as far west as Eastern Germany have withdrawn to Russia. We are looking at ways to respond to those changes, while maintaining the key elements of the Treaty.

ù NATO has developed this proposal as it prepares for the CFE Review Conference, scheduled by the Treaty for May, 1996. Our goal is to preserve the viability of the Treaty, which remains a cornerstone of European security.

ù The "flank" issue does not concern the overall equipment limit for Russia and Ukraine, but the restrictions which the Treaty places on the amount of equipment permitted in certain regions. Russia and Ukraine have participated fully in the Treaty's implementation over the past three years, destroying thousands of pieces of Treaty-limited equipment and submitting to hundreds of inspections under the terms of the Treaty.

ù We and our Allies continue to reject completely the Russian idea of an "exclusion zone" in its Caucasus region. There is no basis for such an "exclusion zone" in the Treaty.

ù Any solution must be acceptable to all Treaty parties. The forum for negotiation will be the CFE Joint Consultative Group in Vienna.

(If asked about statement by Senator Helms staff that Treaty changes are not likely to be approved "anytime soon":)

ù Any agreement along the lines of the NATO proposal would require the approval of Congress.

(If asked about President Yeltsin's comments on CFE at Hyde Park)

ù At Hyde Park, President Clinton and President Yeltsin did reach conceptual agreement on how to approach a solution to the CFE Flank issue. While much work remains, this was a real step forward.

IRAQ SANCTIONS

Background: On October 17, President Zayid of the UAE called for the lifting of UN sanctions on Iraq. His remarks were quickly echoed by the Secretary General of the Arab League and the Iraqi government.

Q: What is your reaction to recent demands from certain Arab leaders for the lifting of sanctions on Iraq?

A: We remain strongly opposed to any modification of the current sanctions against Iraq until it is in full compliance with all United Nations Security Council resolutions.

With regard to the humanitarian problems in Iraq, we are convinced that these are problems created by the Iraqi regime, and not by the sanctions.

The United Nations has made provisions by which Iraq could sell oil to buy food and medicine for its population, but the regime has refused to exercise this option.

The Iraqi regime has purposely refrained from providing its population with the food

d and
medicine they need to try to score propaganda points.

THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release October 24, 1995

STATEMENT BY THE PRESS SECRETARY

Both houses of Congress today passed by overwhelming margins bills that require the relocation of our Embassy in Israel to Jerusalem by 1999. The President opposed this legislation. He is convinced its passage at this sensitive time in the Israeli-Palestinian negotiations is a mistake.

The President said, "We have made more progress in less time on the Middle East peace process over the last two years than at any time in the history of the Arab-Israeli conflict. A step such as this could hinder the peace process. I will not let this happen, and will use the legislation's waiver authority to avoid damage to the peace process."

The President's personal views on Jerusalem are a matter of public record and have not changed. His record of friendship and support for Israel is clear and of long standing. But he remains convinced that it is unwise for the United States to take actions that could be interpreted as prejudicing sensitive matters, such as Jerusalem, that the parties themselves have agreed should be decided in final status talks.

The legislation passed this week contradicts that principle. As such, the President would not have hesitated under different circumstances to veto it. But given the virtually unanimous votes by which these bills were adopted, exercising that option in this case would not alter the outcome; it would only prolong a divisive debate and risk further damage to the peace process.

The President will not, however, sign this legislation. To do so would be inconsis

tent with his pledge to take no action which would undermine a peace process that shows so much promise of creating a better future for Israel and its neighbors. Therefore, when the bills passed this week become law, the President will use their waiver provisions to prevent the legislation from adversely affecting the Middle East peace process.

The Clinton Administration will continue to be a strong and fair-minded partner in support of all those who take risks for peace. President Clinton will not allow the legislation passed this week to interfere with that role.
#

ALGERIA

Q: Any reaction to the upcoming Algerian presidential elections?

A: We have made clear our belief that Algeria's crisis can only be resolved through political dialogue between all elements who disavow violence and terror.

We hope that political developments, including elections, take place in a manner which contribute to this process of national reconciliation.

AMMAN ECONOMIC SUMMIT

Q: What is the significance of the Amman Economic Summit

A: The Summit is expected to greatly contribute to the economic integration of the region through the development of cross-national economic ties, and regional projects.

Economic prosperity will be an important aspect of peace in the Middle East and North Africa. By facilitating this prosperity, the Summit will lay the economic foundations for a lasting peace.

Q: Where does the Middle East Development Bank (MEDB) stand? Are the Europeans opposed to the creation of the MEDB

A: The President strongly supports the creation of a soundly structured regional bank

k.

There is wide support for the MEDB from regional states and from key potential contributors such as Japan and members of the EU. Details remain to be worked out on some issues regarding the Bank's structure and operations.

ACCOMPLISHMENTS OF MEETING WITH PRESIDENT JIANG

- ù Meeting facilitated mutual understanding of the importance of good U.S.-China relations -- not only for people of both countries, but also for the region and the world.

- ù Principal achievement was restoring the communication process between our two governments that had been sharply reduced by China following the Lee Teng-hui visit. Process essential to our policy of comprehensive engagement with China.

- ù Restoration of open and honest dialogue on a number of important issues will enable us to work out differences, solve problems, find common ground, develop relations further in cooperative spirit. New dialogues on environment & sustainable development, regional and UN issues will cover new areas of cooperation.

- ù Presidents agreed to meet to exchange views on bilateral issues more frequently, and to consider establishing a means of communicating by telephone as well. Next meeting at APEC/Osaka.

- ù Discussed specific bilateral issues in detail, including trade, China's accession to World Trade Organization, Comprehensive Test Ban Treaty, nonproliferation, human rights, military-to-military exchanges, and Taiwan. Enhanced mutual understanding of each others' positions, agreed to work on problems through dialogue.

MEXICO

Background: In trading yesterday, the value of the peso fell 8 percent for a total

decline this month of 15 percent from September levels. The peso is very near the level it reached last March when the stabilization package was finalized. Market jitters are attributed to a variety of factors, among them higher than expected inflation in Mexico and the arrest of an EZLN rebel leader (the Mexican Attorney General has announced that charges against the suspect be dropped).

Points

- ù We are encouraged by Mexico's success to date in implementing strong economic policies.

- ù We have always been aware that the road back for Mexico would be a long one. During his visit here, President Zedillo reiterated his government's commitment to keep economic policies on track in order to get the job done. This is the key for Mexico's full recovery.

CUBA

HELMS BILL

Background

Helms' Cuba bill passed by a vote of 74-24 after Title III, its most controversial provision -- which would have opened our courts to lawsuits against anyone dealing with expropriated property in Cuba -- was withdrawn. The Administration still has some problems with the bill, but the decision to remove Title III is a step in the right direction.

Points

- From the outset of the debate on the Helms/Burton bills, we made clear the Administration was determined to work with Congress so that the legislation on which our Cuba policy is based could continue to enjoy wide bipartisan support.

- The action on the floor of the Senate will help to advance this goal. We look forward to cooperation with the Congress to address those aspects of the legislation that still

concern us.

-- The objective of Administration policy remains to promote a peaceful democratic transition in Cuba through an effective economic embargo and effective support for the Cuban people.

CASTRO VISA APPLICATION

Background: President Castro was granted a visa to come to the U.S. as head of the Cuban delegation to the special session of the UNGA to commemorate the UN's 50th anniversary.

Points

- ù President Castro applied for a visa on October 9 to attend the special session of the UNGA.

- ù After careful consideration of his application in light of the United States' obligations under the United Nations headquarters agreement and in accordance with U.S. law, the State Department has decided to grant President Castro a visa.

- ù Castro himself applied for and received visas in 1960 and 1979 to attend sessions of the General Assembly in New York.

CUBAN DEMOCRACY ACT

-- The President decided to take a series of steps to invigorate the Cuban Democracy Act's (CDA) goal of promoting a peaceful transition to democracy in Cuba.

-- These steps are consistent with the spirit and the letter of the CDA and implement precisely what it calls for: Use the embargo effectively to put pressure on the Castro government and help those people and forces in Cuba that are struggling for democratic change.

-- Nothing in these decisions reflects a weakening of our commitment to the embargo. On the contrary: Every element of the embargo remains in place and the means to enforce it will be strengthened. At the same time, this Administration will reenergize its efforts to reach out to the Cuban people through the free flow of ideas and information and by strengthening the island's fledgling civil society.

ENFORCING THE EMBARGO

- The President has directed that the office in charge of enforcing the embargo, the Office of Foreign Assets Control be significantly beefed up, both here and in Miami.
- The Attorney General is also reviewing how best to enforce the provisions of the embargo.
- If we are serious about going after those who violate the embargo, then we ought to make sure that we have rules that can be complied with. Today, many Cuban-Americans circumvent the travel rules and go to Cuba without a license. They do not do it to flout the law or because they do not believe in the embargo. They do it because of the time it takes to get the license and because in many instances time is of the essence. Therefore, the President has decided to provide a general license for Cuban-Americans to make an annual visit to Cuba for humanitarian reasons. This will help those who really need to travel on an urgent basis. It will cut down on violations of the embargo. And it will make enforcement of the law fairer and easier.

REACHING OUT TO THE CUBAN PEOPLE

- We share the CDA's commitment to promote democracy in Cuba through the power of ideas and by reaching out to the Cuban people.
- Our other decisions are designed to strengthen those on the island who can be agents of change: Human rights activists, dissidents, independent organizations.
- First, the President has authorized the establishment of reciprocal news bureaus in Cuba and the U.S. Of course, we will not approve Cuban bureaus until a full range of US news bureaus are granted entry to Cuba. This decision will significantly increase the flow of news to and from Cuba, thereby helping the Cuban people escape their state's monopoly over information.
- Second, we will allow U.S. NGOs to help their counterparts in Cuba in a variety of ways.
- US NGOs will be authorized to provide support to human rights organizations and

ther NGOs
in Cuba.

-- The USG will be providing a grant to Freedom House to work with Cuban NGOs
ance
the cause of democracy.

-- We will allow the sale and donation of communications equipment -- such as fax machines,
copiers, computers, etc. -- to Cuban NGOs who promote democratic values and respect
for human
rights.

-- Third, travel regulations will be amended to clarify who can and cannot go to Cuba.
a. Under
these new regulations, transactions to finance tourist travel to Cuba remain prohibited. Like other
elements of the embargo, this ban will be more strictly enforced than before. At the same time, the rules
will make clear that travel for scientific, news-gathering, educational, cultural, religious purposes, or for
the purpose of helping independent activities on the island, is permitted.

WESTERN UNION

-- Finally, the President has decided to authorize Western Union to set up offices here and in Cuba
to send wire transfers more simply and at a lower cost to those who need to pay emigration fees or for
family emergencies. The rules on remittances remain the same -- Western Union simply will make
transfers easier and cheaper.

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

Background: There have been press reports in recent days that Russian authorities are investigating the possibility
that a former Russian General, Anatoli Kuntsevich, illegally provided chemical weapons materials to buyers in the
Middle East. In a letter to the President this week, Senator Helms seized on the issue as a (new) justification for
continuing to hold the Chemical Weapons Convention hostage.

Q: Do you have any further information on press reports that Russia is investigating the possible
smuggling of chemical weapons materials by former General Kuntsevich?

A: We too have seen press reports about the investigation.

They indicate that Russian authorities are conducting a criminal investigation of the matter.

Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

Q: Is the U.S. assisting the investigation?

A: The smuggling of materials for weapons of mass destruction, whether nuclear, chemical or biological, is of vital concern to the U.S.

Press reports indicate that Russian law enforcement authorities are investigating the matter. If

there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

A: The Russian Government has this matter under investigation.

We do not know what the outcome of that investigation will be.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this issue?

A: Senator Helms has expressed concern over this issue.

We share those concerns.

That said, rather than being an argument against the CWC, this underscores why it is so

important for the U.S. to ratify it quickly.

Q: How does the CWC help deal with problems such as this?

A: The CWC imposes a legally-binding prohibition on assisting others to acquire chemical weapons.

In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

The treaty also requires that Parties enact domestic legislation imposing real penalties on those who violate these or any other treaty obligations.

Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide access to information that could reveal or even confirm a potential transfer problem.

In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Kuntsevich reportedly is being investigated.

As the President has done on repeated occasions, we urge the Senate to move forward with ratification of this vital treaty.

CONGRESSIONAL CONFERENCE REPORT ON DEFENSE APPROPRIATION

Background: On September 29, the House rejected by a wide margin the conference report on the FY 1996 Defense Appropriations Bill. As reported by the conferees, the bill would have provided for a \$243 billion defense budget for next year -- \$6.7 billion more than requested by the Administration. The bill's defeat in the House was attributable to a strong bloc of "pro-life" Members concerned by the watering down of the House-passed provision in the bill on abortion and other Members opposed to the increase in spending for programs such as the B-2 and National Missile Defense.

Points

- Committed to maintaining best trained, best equipped, most ready armed forces in the world.
- The Administration's budget protects readiness and ensures we are prepared to defend American interests.
- Although the conferees did remove objectionable policy provisions and other unacceptable restrictions on my prerogatives as Commander in Chief and they did fund several important programs

of priority interest to this Administration (e.g., Nunn-Lugar and TRP), I am very concerned by the inclusion of almost \$7 billion for procurement and R&D spending we did not request.

-- With the defeat of the Conference Report by the House, the bill now goes back to the conference to be reworked. As the conferees consider how to revise the bill to improve its prospects of ever being enacted into law, it is important that they understand that absent a broader agreement with Congress that provides adequate funding for crucial domestic programs that are underfunded in other appropriations bills, the President will veto any defense appropriations bill that adds extra billions for defense programs not in my request.