

Exchange Mail

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FROM Allen, Charles A.
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SUBJECT FW: daily press guidance packet [UNCLASSIFIED]
TO Allen, Charles A.
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TEXT_BODY No new issues noted.

-----Original Message-----

From: Budig,
Nyda N

Sent: Friday, July 24, 1998 4:47 PM

To: @ALLNSC - NSC Staff;

@PRESS - Public Affairs; @VP - VP Natl Security Affairs

Subject: daily

press guidance packet [UNCLASSIFIED]

ATTACHED IS THE DAILY PRESS
GUIDANCE PACKET.

PLEASE REVIEW AND MAKE ANY CHANGES/CORRECTIONS
OR ADDITIONS AND E-MAIL THEM BY 10 A.M. ON MONDAY,
JULY 27.

THANKS.

HAVE A GOOD WEEKEND.

TRANSLATED_ATTACHMENT

jul24.doc

NATIONAL SECURITY AFFAIRS GUIDANCE

July 24, 1998

War Crimes - Wrongful Detention ICC (new)

Switzerland - Banking 50TH
Anniversary of Integration

Iran - Missile Test USS
Truman Commissioning (revised)

Ukraine China -
Withdrawal for PLA
Cambodia Elections Taiwan -
President Lee's Speech

Indonesia - Economic Crisis Greece - Criticism of
POTUS (new)

Libya - Lockerbie

Iraq - UNSCOM (new)

Palestinian Holocaust Comments (new)

India-Pakistan Talbott meetings

India - Pakistan - Colombo Talks

Pakistan - Sanctions

Russian Financial Situation (new)

Kosovo

Nigeria

Ethiopia - Eritrea

Japanese Election (new)

MEPP

Israel - Remote Sensing (new)

WAR CRIMES - WRONGFUL DETENTION
July 23, 1998

Any details about the detention of two suspected war criminals
yesterday?

* Yesterday, SFOR detained two individuals believed to be indicted
war criminals.

- * The individuals were transported to The Hague where authorities sought to make a positive identification.
- * The Hague determined that these individuals are not wanted by the Tribunal and are working with SFOR to repatriate them.
- * It remains our view that the Banovic brothers belong in the Hague

SWISS BANKING

July 23, 1998

Can you confirm that the Swiss delivered a letter for the President yesterday?

- * Swiss have used several channels to express dismay about the possible imposition of sanctions by U.S. state and local entities.
- * Our opposition to sub-federal sanctions is clear. We have told state and local officials that such sanctions risk heightening a confrontational atmosphere and delaying resolution of the dispute.
- * We believe that the parties to the class action suit (the American plaintiffs and the Swiss banks) should resume without delay their negotiations aimed at reaching a just settlement.
- * People on both sides of the Atlantic have a strong interest in resolving these traumatic issues in ways that ensure prompt justice is done to the victims and that positive relations are maintained between the United States and Switzerland.
We have encouraged the Swiss government to take a more active leadership role toward that end.

IRAN - MISSILE TEST

July 23, 1998

Reaction to the Iranian missile test?

* The missile is similar to the North Korean No Dong missile, which has a range in excess of 1000 kilometers. The test shows that Iran's aggressive effort to develop missiles more capable than its existing 300-and 500-km SCUDs is making progress.

* This was the first test. Additional time normally is required to bring a missile into series production and operational status. For this reason it is premature to say the missile poses an immediate threat to any nation in the region or U.S. forces.

* Obviously, however, once the Shahab 3 is made operational, Iran will have the ability to strike distant targets. These would include Israel as well as portions of Russia, Turkey and Saudi Arabia.

Has the U.S. nonproliferation policy collapsed?

* No. The Shahab 3 test underscores the importance of our efforts to work cooperatively with other nations to stop the flow of sensitive technologies to Iran and other nations pursuing the development of WMD and ballistic missile capabilities.

* We have been working, for example, with the Russian government to clamp down on the illegal actions of Russian firms. Last week the Russian government announced that it was investigating nine Russian entities for cooperating with Iran. For our part, the U.S. announced last week that we're taking administrative measures against seven of these Russian entities.

* We will continue to work to cut off sources of supply to Iran's missile program.

Doesn't this event, along with last week's report by the Rumsfeld

Commission,
lend credence to Republican calls for deployment of a national missile defense?

* We have structured our national missile defense program to be responsive to the possible emergence of a new long-range ballistic missile threat, and to account for uncertainties about when and where threats might emerge.

* We are moving as fast as we can to develop this capability. But it would be a mistake to commit now to the deployment of a national missile defense costing tens of billions of dollars until we know more about whether such a defense is feasible, and what threats it must be designed to defeat.

* In the meantime, we will continue to work hard to impede the proliferation of missile technology, improve our analysis regarding the threat, and maintain a strong military posture to deter any such attacks.

What does this testing say about Iranian "moderation" and U.S. willingness to seek better relations with Iran?

* We have always said that Iranian attempts to acquire and deploy weapons of mass destruction and means to deliver them are of deep concern to us.

* This is one of the major areas of Iranian policy that divides Iran from the international community. Iran's WMD efforts would be among the highest priority issues that we would raise in any official dialogue with the Iranian

* We are continuing our aggressive efforts with outside suppliers to impede Iran's progress in these areas.

Was this test a surprise?

* No. For some time, we have understood that Iran could be able to conduct the first test of the Shahab-3 during 1998.

What about Russian assistance?

* We have been concerned for some time about Iran's aggressive efforts to obtain missile technology from Russian firms. Some of those acquisition efforts have been successful, and some of that technology could have been used in the No Dong-based Shahab-3 program. Because of our concerns, we have been pursuing an intensive, high-level effort to impede Iranian efforts to obtain missile technology from Russian firms.

* This effort has produced real progress. Over the past year, the Russian government has enacted sweeping new export controls, has shut down some activities and made some arrests, and announced last week that it was investigating nine Russian entities for cooperating with Iran. The U.S.

announced last week that we were taking action against seven of these same Russian entities.

* What about Chinese assistance?

* We have long been concerned about Chinese firms selling missile-related technology to Iran. We have been holding an intensive dialogue with the Chinese on the broad range of missile nonproliferation issues. In particular, we have been pressing China to improve its missile-related export controls.

* China has not sold ground-to-ground MTCR-class missiles since committing in October 1994 not to do so. China committed in March 1992 to abide by the original MTCR guidelines, and announced at the recent China summit that it was studying the possibility of joining the MTCR. Chinese President Jiang also publicly stated before the summit that China would not sell missiles to Iran.

UKRAINE: STATUS OF IMF PROGRAM, CHORNOBYL
CLOSURE
July 23, 1998

Can you comment on reports that the Vice President doesn't support resuming an IMF program for Ukraine or helping the Ukrainians close Chornobyl?

* The Vice President made clear yesterday that the Administration strongly supports efforts by the IMF and Ukraine to reach agreement on an Extended Fund Facility (EFF). We want that program to be a success.

* To ensure that, the IMF program must be founded on a solid package of economic reforms. We welcome the recent reform measures that President Kuchma has been pursuing.

* We are optimistic that the President Kuchma will continue to show the kind of leadership and take the necessary steps to put in place a reform package that will gain the support of the international community.

* We applaud President Kuchma's statements yesterday that he supports closing Chornobyl by 2000. The U.S. and our G7 partners will continue to provide assistance to Ukraine to ease the impact of closing Chornobyl.

CAMBODIA - ELECTION PREPARATIONS July 23, 1998

What can you tell us about the Cambodian elections?

* We are concerned about the electoral process in Cambodia and the prospects for free, fair and credible elections.

* In recent weeks, there has been some progress in creating the framework for parliamentary elections. Political exiles have returned, international observers are on the ground, and voter registration is underway.

* However, there are continuing reports of political intimidation and

abuses of
human rights.

* The holding of free, fair and credible elections is critical to restoring democracy to Cambodia. The key to this process is to create a political environment that is free from fear and intimidation.

INDONESIA - ECONOMIC ISSUES July 22, 1998

Can you comment on the Washington Post article about Indonesia sliding toward social chaos?

* Indonesia faces difficult challenges as a result of the continuing economic crisis.

* The recovery of the Indonesian economy is very much in the national interest of the United States. For this reason, the U.S. supports Indonesia's vigorous implementation of economic reform measures.

* The United States has committed over \$100 million in bilateral humanitarian assistance to Indonesia to help ease the hardship of the Indonesian people.

* Our assistance includes medical supplies, job creation programs and \$50 million in PL 480 Title II food assistance. The Export-Import Bank has earmarked \$1 billion in trade credits to Indonesia to help finance food imports and to stimulate trade flows.

* The United States supports lending to Indonesia by international financial

institutions (IFIs) such as the International Monetary Fund (IMF), the World Bank and the Asian Development Bank (ADB). These loans are intended to address Indonesia's humanitarian needs and to support economic restructuring programs.

* In order for economic reforms to succeed the Indonesian government will need to continue the dialogue it has initiated with its citizens on political reform. This dialogue will be required to achieve broad public support for the process of political and economic reform.

* The government has taken a number of positive steps to promote a more open society such as the release of some political prisoners and permitting greater freedom of expression. We urge the Indonesian government to continue progress toward political reform.

LIBYA: LOCKERBIE

July 23, 1998

Have you heard back from the Libyans at this point? Have they rejected the idea of a Scottish Court with Scottish judges in The Hague? If they say no, then what?

* Libya has indicated publicly that it would accept trial in a Scottish Court outside Scotland. This is not a negotiation. Qadhafi knows what his responsibility is, to turn over the suspects for trial in a U.S. or Scottish Court.

* If he doesn't turn over the suspects, this will only reinforce to the international community the need to maintain tough measures against Libya until justice is done.

Has the President talked with PM Blair about having a trial in a third country?

* As the President said, he has been personally engaged in bringing the Pan Am 103 suspects to Justice for years. We have had conversations with the UK on this matter.

* The President and the Prime Minister speak regularly. I am not in a position to detail the content of those discussions, nor is it our practice to detail the content of such discussions.

There are reports that you are close to a deal to try the Libyans accused of the Pan Am 103 bombing in The Hague. Is this true?

* Our primary objective since the Pan Am 103 tragedy in 1988 has been to bring the perpetrators to justice.

* We believe that the perpetrators should be tried before a U.S. or Scottish court.

* We have explored alternative ways to accomplish this objective during the past ten years, but both practical and legal obstacles exist. No decisions have been made.

But, does that mean you are considering doing this in a third country like The Netherlands?

* We are determined to bring these perpetrators to justice. In cooperation with authorities in the United Kingdom, we continue to consult on how to best accomplish that objective.

* I have pledged to the families of the Pan Am 103 victims that we will not stop until we see justice in this case.

What are some of the practical and legal obstacles?

* The idea of standing up a court from one country within another

country's
territory raises a number of legal issues that we need to answer. There
are not
many legal precedents for this kind of situation. Again, no decision
has been
made, but we remain determined to bring these perpetrators to justice
before a
U.S. or Scottish court.

IRAQ /UNSCOM
July 24, 1998

Context: On July 22, UNSOCM Executive Chairman Richard Butler
wrote to the
President of the Security Council (Russian PermRep Lavrov)
outlining an Iraqi
refusal on July 18 to release documents to an UNSCOM team during
an inspection of
the Iraqi Air force headquarters. The documents at issue appeared to
contain
reference to special munitions of types which have been declared by
Iraq to have
been used for chemical and biological warfare agent delivery. After
the Iraqi
refusal to hand over the documents, Butler and General Rashid, the
Iraqi Minister
of Oil, telephonically came to an ad hoc temporary resolution to the
incident -
agreeing that the documents would be jointly sealed by UNSCOM and
Iraq and
examined during Butler's upcoming trip. Lavrov called in Iraqi
PermRep Hamdoon
on July 23 to explain the incidents, which are a clear violation of
Iraq's
agreement under the UN/Iraq MOU to provide UNSCOM with not
just the access to the
sites, but also the documents required for their work. Although this
incident is
now public, the issue has not been fully discussed either in
Washington or among
Security Council members. It would be best not to speak of the
specifics of the
incident, but rather to reiterate our positions regarding UNSCOM's
right to full
access to sites, information, and persons.

Q: What can you tell us about Iraq refusing to turn over documents to UNSCOM during an inspection?

* UNSCOM has reported to the President of the Security Council that during a recent inspection Iraqi officials refused to hand over documents which UNSCOM believe pertain to Iraq's chemical and biological munitions.

* We understand the documents have been jointly sealed by UNSCOM and Iraq and will be opened and examined by Ambassador Butler when he visits Baghdad in early August.

* This is a very serious matter. In accordance with the UN/Iraq Memorandum of Understanding, Iraq agreed to full access by UNSCOM not only to sites, but also to documents, information, and persons. More important than just access, however, is the fact that Iraq is required to provide affirmative disclosure of its program. This, Iraq has not done.

* Again, Iraq is trying to re-write the rules and is engaging in its pattern of cheat and retreat. This new example of Iraqi defiance is not surprising, but it is still totally unacceptable. The entire Security Council will be in agreement on this.

* Iraq must release all information pertaining to its weapons of mass destruction and delivery systems.

* The President of the Security Council called in the Iraqi PermRep yesterday to explain. We are waiting for Ambassador Lavrov to discuss this meeting with the rest of the Council.

REPORTED PALESTINIAN HOLOCAUST COMMENTS July 24, 1998

What's your reaction to reported Palestinian comments minimizing or calling into

question the occurrence of the Holocaust?

* We have not seen the particular comments referred to in today's press reporting.

* However, we condemn in the strongest terms any attempts to claim that the Holocaust did not occur or was somehow not as significant as a massive amount of scholarship and historical data make clear that it was.

* Such comments, especially when they come from persons or media in the West Bank and Gaza, are particularly egregious, and further erode the trust and confidence needed to make peace. The PA should do everything it can to stop such comments from appearing in the Palestinian media.

INDIA-PAKISTAN - TALBOTT TALKS July 23, 1998

What can you tell us about Deputy Secretary Talbott's talks in Islamabad?

* Deputy Secretary Talbott concluded his talks with senior members of the Government of Pakistan this morning.

* In addition to meeting with Prime Minister Sharif, Talbott met with Foreign Minister Ayub Khan; the Chief of Army Staff, General Karamat; and Foreign Secretary Shamshad Ahmad.

* The talks were substantive and constructive.

* A fourth round of talks with the Indian and Pakistani governments will take place in late August.

INDIA-PAKISTAN-COLOMBO TALKS July 23, 1998

What is the U.S. view on a possible meeting between PM Vajpayee and PM Sharif in

Colombo later this month?

* Both PM Vajpayee and PM Sharif have indicated their willingness to meet on the margins of the SAARC (South Asian Association for Regional Cooperation) Summit to be held in Colombo at the end of July.

* We hope that their meeting will result in the resumption of a high-level, direct dialogue between the Indian and Pakistani governments.

* Resumption of this dialogue, which has been stalled since last September, is critical given heightened Indo-Pakistani tensions in the wake of their recent nuclear tests.

* During their meetings last month, the P-5 and the G-8 foreign ministers strongly urged resumption of this dialogue as a means of resolving Indian and Pakistani differences, including Kashmir.

PAKISTAN-SANCTIONS

July 22, 1998

If the Administration favors an IMF bailout, will the Glenn Amendment sanctions still be credible?

* Pakistan's economy is poised on the brink of default.

* Its serious economic problems are a legacy of severe and lengthy mismanagement, and have been exacerbated by U.S. and multilateral sanctions.

* A default could result in severe hardship for Pakistan's people that could lead to political instability and turmoil.

* That raises the stakes for India and for our own interests in the region.

* It was never our intention that sanctions resulting from Pakistan's nuclear tests should punish its citizens or precipitate an economic collapse.

* We need to respond in a prudent manner and this can best be done through

international institutions designed to deal with such problems.

* We think it critical that the IMF be allowed to resume negotiations on reinstating Pakistan's IMF program and we are reexamining (with our G-7 colleagues) our multilateral approach to the IMF on Pakistan.

* To fulfill our obligations under the law, we would abstain on any IMF vote, but the IMF would move ahead with the support of other major shareholders.

* Resumed IMF involvement is the minimum necessary to forestall a collapse of confidence in Pakistan's economy, but it is unlikely by itself to prevent default.

* To turn things around, Pakistan must commit to serious economic reforms.

* We and our G-7 partners, together with the IMF, will do everything possible to see those reforms are fully implemented.

* Other aspects of the Glenn sanctions -- no assistance other than food and humanitarian assistance, no sales on military equipment, no sales of specified dual-use items, etc -- will remain in place.

Doesn't this new policy demonstrate U.S. favoritism for Pakistan vis a vis India?

* We are not being softer on Pakistan than India in our sanctions regime.

* If anything, the overall effect of sanctions is harder on Pakistan.

* Since India neither seeks nor receives support from the IMF, we are not giving something to Pakistan that we are refusing to give to India.

RUSSIAN FINANCIAL SITUATION

July 24, 1998

Background: Another down day on Russian markets. Stocks fell slightly in

lackluster trading. The ruble fell to the weak end of the Central Bank's exchange rate band on news that the Central Bank had cut its benchmark refinancing rate from 80 to 60 percent. Most press play today focused on the Vice President's meetings today with Prime Minister Kiriyenko. Lots of wire service traffic on discussions about the economic situation. One Russian press service (Interfax) carried a story claiming that the Vice President agreed to support Russia's permanent graduation from the restrictions of the Jackson-Vanik Amendment. It also claimed that the U.S. and Russia had reached agreement not to launch anti-dumping investigations against each other. These assertions are inaccurate.

What did the Vice President and Prime Minister Kiriyenko discuss today about Russia's financial situation?

* The two discussed a range of issues, including the Russian government's new economic reform program and prospects for its implementation.

* They also discussed bilateral trade issues and steps Russia is taking toward accession to the World Trade Organization.

If asked -- Did the Vice President promise to push for permanent MFN status for Russia? And that the two countries would not launch anti-dumping investigations against each other?

* The Vice President reaffirmed the statement that Presidents Clinton and Yeltsin made in Helsinki that the two sides should work toward creating the conditions that would allow for permanent and unconditional MFN status for Russia.

* We are willing to consult with the Russians on trade policy issues, but the Vice President made no commitment of any form on an early warning system on

anti-dumping investigations. US and international law prohibits early warning.

Moreover, US laws on anti-dumping are clear and how we respond is driven by that.

There are broader trade issues on which informal consultations would be

appropriate and we are ready to discuss with the Russians what they might be.

Why are Russian markets weakening even with the approval on Monday of the IMF's new financing package?

* Investors still watching policy implementation closely. This is going to be a

long process. Can't expect a turnaround in investor attitudes overnight.

What is your reaction to the new financing package for Russia approved by the IMF on Monday?

* As I said in my statement, commend the important steps Russia has taken to

strengthen its public finances, preserve financial stability and further help lay

the groundwork for economic growth through structural reform.

* Welcome the decision by IMF Executive Board to expand its funding for Russia's reform program.

* Look forward to full implementation of these reforms and to additional action

to put Russia's finances on a sustainable path.

If Asked -- Given all the promises the Russians have broken in the past on

economic reform, why should we believe that this time will be any different?

* Need to put Russian reform process in context. Over the past seven years,

Russia's economy has undergone a major transformation. Process of change always a difficult one.

* Program Russia is now pursuing is one devised for Russian purposes and they are

acting on it because they believe it is good for Russia.

What about Duma Chairman Seleznev's comments yesterday about there being no agenda that justifies holding an extraordinary session in August? How can we believe that any further progress on program is likely?

* Up to Russia to work through its internal political process. Hope to see spirit of cooperation in mutual understanding on part of both government and legislature as they continue to work through on the reform program.

Doesn't the reduction in the initial IMF tranche from \$5.6 billion to \$4.8 billion indicate that Fund members remain concerned about Russia's ability to make good in its commitments?

* In deciding to approve this significant new financing package, IMF Board acknowledged the significant measures taken by the Russian government to boost revenues, reduce spending, and restructure their debt.

* As IMF Acting Managing Director Fischer said in his press statement, the Fund reduced the initial disbursement because of the Russians' failure to enact measures to reform the personal income tax system and strengthen the Pension Fund. The \$800 million balance of the initial tranche is expected to be made available in September, assuming that the measures in question are satisfactorily addressed.

What did Berger and Chubays talk about in their meeting Tuesday?

* The two discussed Russia's negotiations with the IMF over the past several days and Moscow's plans to follow through on commitments it has made to the Fund.

Aren't some of the decrees that Yeltsin announced last weekend to

implement parts
of the government's anti-crisis program unconstitutional?

* Understand the Russian Government has some legal authority to act
in the
absence of legislation.

How is Yeltsin handling the current economic crisis? Is he living up to
commitments necessary to produce desired reforms?

* President Yeltsin providing strong leadership at a difficult moment
for Russia.
Has thrown his support behind key fiscal and other reforms.

What do you think of the government's anti-crisis program?

* Measures announced move Russia significantly in right direction.
The United
States supports Moscow's efforts to bring down the budget deficit,
stabilize the
currency, boost taxes, and reduce wage arrears.

* Investors will be watching closely as the government implements
the program.

KOSOVO
July 17, 1998

Did any new agreements on Kosovo come out of the July 16 meeting
with Solana and
the President and Sandy Berger?

* POTUS/SRB and Solana agreed on the need to continue our
concerted efforts in
Bosnia and Kosovo.

* We are working along two tracks: intense diplomacy backed by
sanctions, to try
to craft a political solution; and NATO planning, in case the situation
continues
to deteriorate.

* Want to make clear we hold Milosevic responsible for violence in Kosovo. His brutal suppression over many years and continued refusal to take necessary steps toward peace are what led to current situation.

* Meanwhile, the situation remains very volatile. At any time, any of several flashpoints might ignite a broader conflict. We are urging both sides to cease violence.

* NATO planning continues on an accelerated basis for a broad range of contingencies. NATO has a huge stake in the stability of that region. We have made no decisions yet, but it is essential for NATO to be prepared, with no options ruled out.

Has the prospect of NATO intervention in Kosovo faded? How has rise of the UCK changed calculus of NATO military planning?

* NATO is preparing options to deal with a full range of contingencies. I am not going to speculate on what options might be employed in what circumstances, but I want to make clear that NATO planning continues on an accelerated basis and nothing is being ruled out.

Negotiations

* We are working urgently to resume the Belgrade-Pristina talks. We still see Rugova as central. But we also see the value of broader representation on the Kosovar side.

* Among other things, that argues for pushing the Kosovar Liberation Army (UCK) to join the political process. We are not discouraged by our first contacts. Not surprisingly, there are also competing, contradictory voices in the UCK. It may take some time just to sort out who is in charge.

NIGERIA -ABUBAKAR'S TRANSITION ANNOUNCEMENT
July 21, 1998

What are the details of Abubakar's transition plan and his announcement on the release of political prisoners? What is your reaction to it?

* We refer you to a text of the speech for all of the details, but in general, the Head of State announced the following:

* The dissolution of all elections conducted under the Abacha regime and the dissolution of the five political parties.

* The government's commitment not to interfere with party formation or the electoral process.

* The government's resolve to ensure a speedy transition to democracy.

* The release of all political detainees and the withdrawal of all charges against political offenders.

* The governments' commitment to respect human rights, including freedoms of expression, assembly, speech and association.

* Economic reforms including commitments to eliminate the dual exchange rate, open government contracts to public and transparent bidding, licensing private competition in key sectors of the economy, and addressing macro-economic issues in concert with the International Financial Institutions.

* We welcome these announcements and are committed to working with the people of Nigeria to ensure that a rapid, transparent and inclusive transition to democratic rule takes place. We also welcome the government's commitment to increase its efforts to combat narcotics trafficking, crime and fraud and look forward to working with it on those commitments.

* We will continue our dialogue with the government and all sectors of Nigerian society. We will look at how their progress towards a transition to democratic civilian rule relates to our sanctions regime as they move forward.

ETHIOPIA-ERITREA July 23, 1998

Any reaction to the purchase of weapons by both sides?

We continue to urge both Ethiopia and Eritrea to resolve the conflict peacefully. We are disturbed by the continuing mobilization for war that is occurring on both sides of the border. We have warned the two countries of the negative consequences for the region of continued mobilization and arms purchases.

JAPANESE ELECTION July 24, 1998

Do you have any reaction to FM Obuchi being named President of the LDP?

* We know Foreign Minister Obuchi very well. He has developed close working relationships with senior U.S. officials as Foreign Minister and is very familiar with the bilateral and regional issues that are central to the U.S.-Japanese relationship. Should he be elected Prime Minister next week, I'm confident the President will develop the same kind of close, productive working relationship he enjoyed with Prime Minister Hashimoto.

What does the prospect of FM Obuchi as Prime Minister mean? Can he tackle the difficult challenges that lie ahead for Japan? Will the markets respond positively to this selection?

* We never comment on markets. The United States enjoyed a close, productive relationship with Foreign Minister Obuchi. We look forward to working with him if the Diet elects him as Prime Minister.

Can you predict when the President and Prime Minister will meet? Could it be as early as August?

* We will consult with the new Prime Minister and arrange a mutually convenient date for a meeting. It's a little premature to speculate on when that will be since the formal selection process has not yet been completed".

(If pressed)

* The Prime Minister will probably want to get his feet on the ground and government underway before undertaking a meeting with the President.

MEPP
July 23, 1998

Has the US backed away from its promise to announce a breakdown and explain its ideas?

* We believe a breakthrough is preferable to a breakdown, and we believe a breakthrough is still possible to achieve.

* As a result of U.S. efforts and their own face-to-face discussions, the parties are moving closer to agreement. If they show creativity and respect for each other's needs, they can reach agreement, and that's why we would like to see the current discussions continue.

* If they cannot, we will be forced to conclude that no further progress is

possible along these lines, and we will say so publicly.

* But we are not at that point yet.

* It would be a mistake to announce a breakthrough prematurely, and it would equally be a mistake to announce a breakdown prematurely.

If you think they're close to agreement, why don't you agree to the two sides'

request for Albright or Ross to go to the region and help them close the deal?

Why are you giving up your usual role and leaving them on their own?

* We are in constant, daily contact with both parties, urging them to continue working together and, where we can, helping each of them to define creative and constructive approaches. So it's not accurate to say we are leaving them on their own.

* The issues on which they are engaged are particularly suited for direct negotiations between the parties. Such negotiations are also vital to restore the trust and confidence needed to work successfully on the more difficult issues that await them in the permanent status negotiations. Relaunching those talks remains our objective in this phase of the process.

* We have no immediate plans for travel to the region.

ISRAEL - REMOTE SENSING

July 24, 1998

Background: In accordance with the statutory provision known as the Kyl-Bingaman

Amendment (Sect 1064, FY97 Defense Authorization Act), which states that the US

Government may issue a license for the collection or dissemination of satellite

imagery of Israel only if such imagery is "no more detailed or precise" than

imagery of Israel available from foreign commercial sources, the US

had limited
US commercial satellite imagery of Israel to 2 meters resolution. Israel
has
confirmed to the U.S. that this decision is consistent with its security
obligations.

Why are you specifically protecting Israel?

US law prohibits the State and Commerce Departments, as licensing
authorities,
from issuing a license for the collection or distribution of commercial
satellite
imagery of Israel that is more detailed or precise than that
commercially
available from foreign sources.

How has this decision been reached?

* In anticipation of the launch of the first US commercial high-
resolution
satellite, and in accordance with US law, the Department of
Commerce conducted a
technical analysis of the best foreign commercially-available satellite
imagery
and determined that two meters resolution is the best estimate of the
precision
and detail of imagery that is readily and consistently available from
commercial
sources.

Are we protecting US commercial interests?

* This decision is consistent with both US law and our commitment to
support and
enhance US industrial competitiveness in the field of remote sensing.
The
license restriction applies only to imagery of Israel; our companies are
free to
pursue their significant competitive advantage in commercial remote
sensing in
all other areas of the world.

[Briefer note only: This restriction is not static. As the imagery
available on
the commercial market changes, we will review licensing restrictions
in light of
our commitment to support and enhance US industry competitiveness,
while at the
same time, complying with US law and protecting US national
security and foreign

policy interests.]

INTERNATIONAL CRIMINAL COURT
July 24, 1998

What is your reaction to the comments by Senator Helms during yesterday's hearing that the United States should withdraw from all foreign peacekeeping activities and reopen our Status of Forces Agreements with other countries given the final text of the ICC treaty?

* We do need to assess the implications for U.S. policy of adoption of the ICC treaty and have begun the process of doing so. At the same time, we note that the treaty will not enter into force until 60 countries have ratified it. This will take some time. We need to make judgments in this area judiciously and will do so in the weeks and months ahead.

What is the U.S. reaction to the final text of the treaty relating to the International Criminal Court?

* We are disappointed with the final text of the treaty. While we have always supported the establishment of a permanent court and continue to support the concept of such a court, we are concerned that this treaty's provisions could make persons, including U.S. citizens, who are involved in critical international activities -- like peacekeeping operation, humanitarian relief and enforcement of sanctions -- vulnerable to unwarranted prosecution before the court.

* In particular, we do not support the way in which the court's jurisdiction may

be extended to the citizens of States that are not parties to the treaty. Under the treaty as drafted, the court may assert jurisdiction over a person if it has only the consent of the state where an alleged offense occurred. This means that U.S. citizens and others involved in international activities -- even though their countries may not be parties to this treaty -- could be hauled before the court without the agreement of their country of nationality. This violates basic principles of treaty law and could greatly inhibit the ability of the United States and others to participate in these sorts of operations.

* We find this jurisdictional provision particularly troubling because, in essence, it provides a shield to those who abuse human rights inside their own borders while making vulnerable others who are engaged in overseas activities.

* We have several other problems with the treaty, including the inclusion within the court's jurisdiction of the crime of aggression.

* We will be digesting the treaty over the next several days to determine what our response will be.

Will the U.S. actively oppose the establishment of the court?

* We are not prepared to answer that question at this time. We are studying the treaty to determine how to respond.

Why would the U.S. vote against this treaty while all of our chief allies supported it?

* The United States plays a unique role in maintaining international peace and security and we wish to ensure that we can continue to play such a role without undue interference. We are concerned that the treaty as drafted could jeopardize activities associated with this role.

50TH ANNIVERSARY OF INTEGRATION OF US ARMED FORCES

July 23, 1998

* July 26th (Sunday) is the 50th anniversary of President Truman's landmark

Executive Order (#9981) ordering the integration of U.S. armed forces.

* The President will address the significance of this decision, as well as other military subjects and other aspects of Truman's legacy, when he has the pleasure

and honor to commission our newest nuclear-powered aircraft carrier, the USS

Harry S. Truman (CVN-76) in Norfolk on Saturday.

USS HARRY S. TRUMAN COMMISSIONING

July 24, 1998

Background: The President will be the principal speaker at the commissioning of

USS Harry S. Truman (CVN 75) on Saturday, July 25, 1998 at 11:00 a.m. Truman,

the eighth Nimitz-class nuclear-powered aircraft carrier, is 1,096 feet long,

displaces 97,000 tons, has a crew (including air wing) of about 6,000 (men and

women), and carries about 80 aircraft. The ship's motto is "The Buck Stops

Here."

The commissioning ceremony opens with parading the colors and the national

anthem, followed by the invocation. Speakers will include the President of

Newport News Shipbuilding, Senator Robb, Representative Skelton and Secretary

Cohen, who will introduce the President. The President's remarks will be followed

by the commissioning, assumption of command by the Commanding Officer and the

setting of the watch, in which the crew double-times up the gangway to man the

carrier and "bring it alive."

Why is the President speaking at the commissioning of USS Harry S. Truman?

* It is entirely fitting for the Commander in Chief to be the principal speaker at an important military event like this. An aircraft carrier's commissioning marks the start of 30 to 50 years of active service in the defense of American interests around the globe. Additionally, this will be the only aircraft carrier commissioned for the remainder of the President's second term.

Why did the President not speak at the christening of USS Harry S. Truman?

* With great regret he turned down the invitation to speak at the christening on the advice of White House counsel to avoid the appearance of an important military event being linked with the election campaign then in progress.

Is it true that the White House struck a bargain with the Congress to name this carrier after a Democratic president and the next, USS Ronald Reagan, after a Republican?

* Both carriers are named after prominent American statesmen worthy of the honor. This is a common practice, with carriers previously or currently named for George Washington, Abraham Lincoln, Theodore Roosevelt, Franklin D. Roosevelt and John F. Kennedy. The Administration consulted with the Congress on the naming of these two ships and the choice of USS Harry S. Truman and USS Ronald Reagan was supported by a bipartisan consensus.

*

TAIWAN - PRESIDENT'S SPEECH

July 23, 1998

What is the U.S. reaction to Taiwan President Lee Teng-hui's July 22 speech in which he said that while there will be "one China" in the future, now there is "one divided China."?

* We welcomed Lee Teng-hui's (LEE DUNG WAY) speech, in particular its call for increasing cross-Straits dialogue and exchanges and improvement in cross-Straits relations. We have encouraged both Taiwan and the PRC to resume such talks and increase exchanges, which help promote peace and stability in the region, and Lee's speech is a positive reinforcement of our own message.

* We do not take a position on specific proposals or the agenda in cross-Straits discussions. We do find it noteworthy that Lee said there would be "one China" in the future.

CHINA - PLA WITHDRAWAL

July 23, 1998

What is your reaction to President Jiang Zemin's order to the PLA to relinquish its business holdings? Is it significant? Is it a good thing?

The order by President Jiang for the military to withdraw from commercial activities is one in a series of steps by the Chinese leadership designed to professionalize China's military. It also is consistent with China's economic reform objectives, which require better separation of commercial and government functions and an effective attack on corruption.

This is not the first time there have been orders for the PLA to relinquish commercial holdings. Estimates are that there may be upwards of 10,000 PLA-affiliated commercial entities in China. It remains to be seen how

thoroughly this latest announcement will be implemented.

GREECE - RESPONSE TO PANGALOS

July 23, 1998

Any reaction to Pangalos calling POTUS a shameless liar?

* We understand there are press reports that FM Pangalos accused the President of telling a lie by not keeping a promise he had made to work hard to resolve the Cyprus problem.

* If these reports are true, we are disappointed.

* One of the President's highest priorities has been and remains trying to find a solution to the problems that have divided Cyprus.

* But the United States cannot want to solve the problem more than the parties themselves.

Exchange Mail

DATE-TIME 7/28/98 7:51:57 AM
FROM Allen, Charles A.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: DAILY PRESS GUIDANCE PACKAGE(final)- JULY 27
[UNCLASSIFIED]
TO Allen, Charles A.
Baker, James E.
DeRosa, Mary B.
Highsmith, Newell L.
Hunerwadel, Joan S.

CARBON_COPY

TEXT_BODY Items that may be of interest: Iraq oil-for-food; Pan Am 103 (item dated July 23 - does it need updating?); new item on Russian support for Afghan rebels; and China satellites, Hughes efforts (previous item placed back in the guidance due to new press reports).

-----Original
Message-----

From: Budig, Nyda N

Sent: Monday, July 27, 1998 4:09
PM

To: @ALLNSC - NSC Staff; @PRESS - Public Affairs

Cc: @VP - VP

Natl Security Affairs

Subject: DAILY PRESS GUIDANCE PACKAGE(final)-
JULY 27 [UNCLASSIFIED]

ATTACHED IS THE DAILY NSC PRESS GUIDANCE
PACKAGE. PLEASE PROVIDE BY E-MAIL ANY
CHANGES/ADDITIONS OR CORRECTIONS
TO @PRESS BY 10 A.M. ON TUESDAY, JULY 28. THANKS.

TRANSLATED_ATTACHMENT

jul27 guid.doc

NATIONAL SECURITY AFFAIRS GUIDANCE

July 27, 1998

Colombia - Pastrana Visit (new) Cambodia - Elections (new)

War Crimes - Karadzic/Mladic (new)

Guinea-Bissau (new)

Sudan - Famine (new)

MEPP (new)

Iran - Missile Test

Iraq - Visit of Kurdish Leaders (new)

Iraq - Oil for Food (new)

Libya - Lockerbie

Iraq/UNSCOM

India-Pakistan (new)

Pakistan - Sanctions

Russian Financial Situation (new)

Russia - Alleged Support for Afghan Rebels (new)

Russia/Ukraine - VP Trip (new)

Yemen - Killing of Nuns (new)

China Satellites - Hughes Efforts (previous)

ICC

Taiwan - President's Speech

THAAD (new)

Arlington Cemetery Burial Procedures (new)

Greece - Pangalos Remarks (new)

COLOMBIA - PASTRANA VISIT

July 27, 1998

Can you confirm that Colombian President-elect Pastrana will be meeting with President Clinton soon?

* President Clinton has invited President-elect Andres Pastrana of Colombia to meet at the White House on August 3, and President-elect Pastrana has accepted. The meeting will provide an opportunity for the two leaders to address the broad range of issues in our bilateral agenda, including counternarcotics cooperation, as well as President-elect Pastrana's efforts to begin a peace process in Colombia.

What is the United States' position on a peace process?

* The United States strongly supports a peace process in Colombia, of the type that has helped resolve civil conflicts elsewhere. Ultimately, any peace process will have to be created for Colombia by Colombians, but the United States is prepared to help.

* The goals of U.S. policy in Colombia are to expand our efforts against the drug trade, promote human rights and the rule of law, reinforce democratic institutions, encourage economic development and help address humanitarian needs. We are prepared to support any peace plan to the extent it is compatible with these objectives.

* Prospects for such a peace process will depend upon the willingness of Colombian insurgent and paramilitary groupings to cut their links to narcotrafficking, and renounce terrorist methods. The United States will insist, in particular, on the release of American-held hostages, and a full accounting of Americans missing and presumed kidnapped.

WAR CRIMES - KARADZIC/MLADIC
July 27, 1998

What is the U.S. position on detaining Karadzic and Mladic?

* Our policy on war criminals remains steadfast: Karadzic and Mladic

and others
indicted by the International Criminal Tribunal (ICTY) belong in the
Hague.

* SFOR continues to have authority to detain suspected war criminals
in certain
circumstances as they have done on a dozen occasions.

* We also continue to insist that the parties live up to their
responsibilities
under Dayton to turn over indicted war criminals. Over thirty war
criminals have
been brought to justice in total.

* We will not be satisfied until all war criminals - including Karadzic
and
Mladic - have been delivered to the Hague.

GUINEA-BISSAU
July 27, 1998

Any reaction to the Government of Guinea-Bissau signing a cease fire
with rebels?

* We welcome reports that representatives of the Lusophone
community succeeded in
brokering a cease-fire over the July 25-26 weekend. We view this as
an essential
first step in restoring civic order and enabling humanitarian
organizations to
provide assistance to displaced persons.

Any details on the agreement?

* We understand that a representatives of the Lusophone community,
including
representatives of the Governments of Cape Verde, Portugal,
Mozambique, Angola,
Sao Tome, and Brazil visited Bissau July 24-26 and succeeded in
negotiating an
immediate case-fire, effective July 26. We also understand that the
cease-fire
is to be followed within eight days by further talks in Bissau and Cape
Verde.
We have no other details at this time.

How many people have been affected by the fighting?

* We have no firm figures, but we understand that there have been deaths on both sides among the combatants, and international humanitarian organizations estimate that as many as 200,000 persons may have been displaced from their homes.

SUDAN FAMINE July 25, 1998

What is the U.S. doing in response to the Sudan famine?

* The U.S. is the world's largest donor to the relief efforts in Sudan (already one of the largest air operations in history), contributing \$75 million so far this year. The U.S. is making an additional donation of food aid to the relief effort as a result of the Department of Agriculture's purchases of surplus U.S. wheat in the near future. Specific amounts are being determined depending on the assessed needs in Sudan.

* The U.S. is seeking all available mechanisms to deliver commodities to civilians in need of assistance in Sudan, and exploring ways to make the current relief response more efficient and to prevent future crises of this nature.

Will the cease-fire help end the famine in Sudan?

* The cease-fire can facilitate relief deliveries. The Government of Sudan must be encouraged to terminate its support for armed militias as part of the cease-fire arrangement. Ending famine in Sudan in the longer-term, however, requires that the Government, and the opposition, prioritize the ongoing regional peace process.

Why did the U.S. and other donors not prevent this famine? Is it USAID's fault, as some reports suggest?

* Prevention requires that we address the root causes of famine in Sudan, and we are doing that. The USG strongly supports the peace initiative launched by the East African organization IGAD (EE-gahd - the Inter-Governmental Authority on Development). We are providing funding and technical assistance to this effort, and will be supporting the next round of peace talks expected next month.

* This famine is caused by the human rights abuses of the Sudanese Government - including denial of access for relief, support for militia raids in the famine zones, and bombing of relief centers. This makes the relief response difficult and dangerous. Even with these constraints, USAID provided USD 75 million dollars in relief aid last year alone. The international community should have responded more quickly and flexibly to the onset of the crisis. It is not the responsibility of any one specific government agency. We are reviewing our mechanisms for response and ensuring we'll do better in the future.

MEPP
July 27, 1998

Are the Palestinians and Israelis still talking?

* We understand the two sides are continuing to meet this week.

* We encourage this continued dialogue. More importantly, we encourage taking the hard decisions needed to achieve a breakthrough.

Has the US backed away from its promise to announce a breakdown and explain its ideas?

* We believe a breakthrough is preferable to a breakdown, and we believe a breakthrough is still possible to achieve.

* As a result of U.S. efforts and their own face-to-face discussions, the parties are moving closer to agreement. If they show creativity and respect

for each other's needs, they can reach agreement, and that's why we would like to see the current discussions continue.

* If they cannot, we will be forced to conclude that no further progress is possible along these lines, and we will say so publicly.

* But we are not at that point yet.

* It would be a mistake to announce a breakthrough prematurely, and it would equally be a mistake to announce a breakdown prematurely.

If you think they're close to agreement, why don't you agree to the two sides' request for Albright or Ross to go to the region and help them close the deal?
Why are you giving up your usual role and leaving them on their own?

* We are in constant, daily contact with both parties, urging them to continue working together and, where we can, helping each of them to define creative and constructive approaches. So it's not accurate to say we are leaving them on their own.

* The issues on which they are engaged are particularly suited for direct negotiations between the parties. Such negotiations are also vital to restore the trust and confidence needed to work successfully on the more difficult issues that await them in the permanent status negotiations. Relaunching those talks remains our objective in this phase of the process.

* We continue to have no immediate plans for travel to the region.

IRAN - MISSILE TEST
July 23, 1998

Reaction to the Iranian missile test?

* The missile is similar to the North Korean No Dong missile, which has a range in excess of 1000 kilometers. The test shows that Iran's aggressive

effort to develop missiles more capable than its existing 300-and 500-km SCUDs is making progress.

* This was the first test. Additional time normally is required to bring a missile into series production and operational status. For this reason it is premature to say the missile poses an immediate threat to any nation in the region or U.S. forces.

* Obviously, however, once the Shahab 3 is made operational, Iran will have the ability to strike distant targets. These would include Israel as well as portions of Russia, Turkey and Saudi Arabia.

Has the U.S. nonproliferation policy collapsed?

* No. The Shahab 3 test underscores the importance of our efforts to work cooperatively with other nations to stop the flow of sensitive technologies to Iran and other nations pursuing the development of WMD and ballistic missile capabilities.

* We have been working, for example, with the Russian government to clamp down on the illegal actions of Russian firms. Last week the Russian government announced that it was investigating nine Russian entities for cooperating with Iran. For our part, the U.S. announced last week that we're taking administrative measures against seven of these Russian entities.

* We will continue to work to cut off sources of supply to Iran's missile program.

Doesn't this event, along with last week's report by the Rumsfeld Commission, lend credence to Republican calls for deployment of a national missile defense?

* We have structured our national missile defense program to be

responsive to the
possible emergence of a new long-range ballistic missile threat, and to
account
for uncertainties about when and where threats might emerge.

* We are moving as fast as we can to develop this capability. But it
would be a
mistake to commit now to the deployment of a national missile
defense costing
tens of billions of dollars until we know more about whether such a
defense is
feasible, and what threats it must be designed to defeat.

* In the meantime, we will continue to work hard to impede the
proliferation of
missile technology, improve our analysis regarding the threat, and
maintain a
strong military posture to deter any such attacks.

What does this testing say about Iranian "moderation" and U.S.
willingness to
seek better relations with Iran?

* We have always said that Iranian attempts to acquire and deploy
weapons of mass
destruction and means to deliver them are of deep concern to us.

* This is one of the major areas of Iranian policy that divides Iran from the
international community. Iran's WMD efforts would be among the
highest priority
issues that we would raise in any official dialogue with the Iranian

* We are continuing our aggressive efforts with outside suppliers to
impede
Iran's progress in these areas.

Was this test a surprise?

* No. For some time, we have understood that Iran could be able to
conduct the
first test of the Shahab-3 during 1998.

What about Russian assistance?

* We have been concerned for some time about Iran's aggressive
efforts to obtain
missile technology from Russian firms. Some of those acquisition
efforts have

been successful, and some of that technology could have been used in the No Dong-based Shahab-3 program. Because of our concerns, we have been pursuing an intensive, high-level effort to impede Iranian efforts to obtain missile technology from Russian firms.

* This effort has produced real progress. Over the past year, the Russian government has enacted sweeping new export controls, has shut down some activities and made some arrests, and announced last week that it was investigating nine Russian entities for cooperating with Iran. The U.S. announced last week that we were taking action against seven of these same Russian entities.

* What about Chinese assistance?

* We have long been concerned about Chinese firms selling missile-related technology to Iran. We have been holding an intensive dialogue with the Chinese on the broad range of missile nonproliferation issues. In particular, we have been pressing China to improve its missile-related export controls.

* China has not sold ground-to-ground MTCR-class missiles since committing in October 1994 not to do so. China committed in March 1992 to abide by the original MTCR guidelines, and announced at the recent China summit that it was studying the possibility of joining the MTCR. Chinese President Jiang also publicly stated before the summit that China would not sell missiles to Iran.

IRAQ: VISIT OF KURDISH LEADERS July 27, 1998

Are the two main Kurdish leaders coming to the US - is it true that Barzani

"betrayed" the US?

* We have invited the two Kurdish leaders to visit the US. Timing and schedule for those visits is not yet decided.

* We are working with these leaders because they are the pre-eminent political leaders among the Kurds of Northern Iraq. They are in a position to promote the stability and reconciliation among the peoples of that region which are in our national interest.

* We believe that both leaders understand that Saddam cannot be trusted and it is against their interest and that of their people to work with the Baghdad regime.

IRAQ: OIL FOR FOOD

July 27, 1998

Background: The Crossette article in the NY Times broke no news; Iraq has always been reluctant to participate in oil-for-food because doing so undercuts the argument to lift sanctions. As oil-for-food has started working more smoothly, Iraq has reminded the UN that Iraq could opt out of the program. Despite the rhetoric, Iraq is actually going along with the program for now; most disputes are over how much control Iraq has over the program's implementation, not whether it continues.

What is the status of the oil for food program? What is the state of Iraqi cooperation?

* The U.S. was a principal promoter of the oil-for-food program since 1991. Saddam's regime fought us at each step, and appeared more interested in political pressure than on helping its people.

* The complicated oil-for-food program started out with some bumps. But it is currently working quite well, and making meaningful improvements

in the lives of
Iraqis.

* So far the Iraqis have taken no steps to end the program. They accepted the latest program, which more than doubles the amount of oil allowed to be sold by Iraq.

* UN sanctions will remain as long as Iraq fails to meet its Security Council requirements. Oil for food was the UN's response to address the Iraq people's needs while these sanctions stay on.

* The Security Council would find it hard to understand if Iraq should cease cooperation with the oil for food program. That wouldn't make sanctions come off any faster, and would only harm the Iraqi people.

LIBYA: LOCKERBIE

July 23, 1998

Have you heard back from the Libyans at this point? Have they rejected the idea of a Scottish Court with Scottish judges in The Hague? If they say no, then what?

* Libya has indicated publicly that it would accept trial in a Scottish Court outside Scotland. This is not a negotiation. Qadhafi knows what his responsibility is, to turn over the suspects for trial in a U.S. or Scottish Court.

* If he doesn't turn over the suspects, this will only reinforce to the international community the need to maintain tough measures against Libya until justice is done.

Has the President talked with PM Blair about having a trial in a third country?

* As the President said, he has been personally engaged in bringing the Pan Am 103 suspects to Justice for years. We have had conversations with the UK on this matter.

* The President and the Prime Minister speak regularly. I am not in a position to detail the content of those discussions, nor is it our practice to detail the content of such discussions.

There are reports that you are close to a deal to try the Libyans accused of the Pan Am 103 bombing in The Hague. Is this true?

* Our primary objective since the Pan Am 103 tragedy in 1988 has been to bring the perpetrators to justice.

* We believe that the perpetrators should be tried before a U.S. or Scottish court.

* We have explored alternative ways to accomplish this objective during the past ten years, but both practical and legal obstacles exist. No decisions have been made.

But, does that mean you are considering doing this in a third country like The Netherlands?

* We are determined to bring these perpetrators to justice. In cooperation with authorities in the United Kingdom, we continue to consult on how to best accomplish that objective.

* I have pledged to the families of the Pan Am 103 victims that we will not stop until we see justice in this case.

What are some of the practical and legal obstacles?

* The idea of standing up a court from one country within another

country's
territory raises a number of legal issues that we need to answer. There
are not
many legal precedents for this kind of situation. Again, no decision
has been
made, but we remain determined to bring these perpetrators to justice
before a
U.S. or Scottish court.

IRAQ /UNSCOM

July 24, 1998

Context: On July 22, UNSOCM Executive Chairman Richard Butler wrote to the President of the Security Council (Russian PermRep Lavrov) outlining an Iraqi refusal on July 18 to release documents to an UNSCOM team during an inspection of the Iraqi Air force headquarters. The documents at issue appeared to contain reference to special munitions of types which have been declared by Iraq to have been used for chemical and biological warfare agent delivery. After the Iraqi refusal to hand over the documents, Butler and General Rashid, the Iraqi Minister of Oil, telephonically came to an ad hoc temporary resolution to the incident - agreeing that the documents would be jointly sealed by UNSCOM and Iraq and examined during Butler's upcoming trip. Lavrov called in Iraqi PermRep Hamdoon on July 23 to explain the incidents, which are a clear violation of Iraq's agreement under the UN/Iraq MOU to provide UNSCOM with not just the access to the sites, but also the documents required for their work. Although this incident is now public, the issue has not been fully discussed either in Washington or among Security Council members. It would be best not to speak of the specifics of the incident, but rather to reiterate our positions regarding UNSCOM's right to full access to sites, information, and persons.

Q: What can you tell us about Iraq refusing to turn over documents to UNSCOM during an inspection?

* UNSCOM has reported to the President of the Security Council that during a recent inspection Iraqi officials refused to hand over documents which UNSCOM believe pertain to Iraq's chemical and biological munitions.

* We understand the documents have been jointly sealed by UNSCOM and Iraq and will be opened and examined by Ambassador Butler when he visits Baghdad in early August.

* This is a very serious matter. In accordance with the UN/Iraq Memorandum of Understanding, Iraq agreed to full access by UNSCOM not only to sites, but also to documents, information, and persons. More important than just access, however, is the fact that Iraq is required to provide affirmative disclosure of its program. This, Iraq has not done.

* Again, Iraq is trying to re-write the rules and is engaging in its pattern of cheat and retreat. This new example of Iraqi defiance is not surprising, but it is still totally unacceptable. The entire Security Council will be in agreement on this.

* Iraq must release all information pertaining to its weapons of mass destruction and delivery systems.

* The President of the Security Council called in the Iraqi PermRep yesterday to explain. We are waiting for Ambassador Lavrov to discuss this meeting with the rest of the Council.

INDIA-PAKISTAN
July 27, 1998

What is the status of the President's trip to India and Pakistan?

- * The President's trip to South Asia remains under review.
- * Although the Indian and Pakistani nuclear tests have raised questions as to the utility of such a trip, no final decision has yet been made.

What can you tell us about Deputy Secretary Talbott's just completed trip to New Delhi and Islamabad?

- * Deputy Secretary Talbott and his delegation met with senior officials of the Indian and Pakistani governments last week to include meetings with PM Vajpayee and PM Sharif.
- * The talks were constructive.
- * Further talks will be held during the latter part of August.

PAKISTAN-SANCTIONS July 22, 1998

If the Administration favors an IMF bailout, will the Glenn Amendment sanctions still be credible?

- * Pakistan's economy is poised on the brink of default.
- * Its serious economic problems are a legacy of severe and lengthy mismanagement, and have been exacerbated by U.S. and multilateral sanctions.
- * A default could result in severe hardship for Pakistan's people that could lead to political instability and turmoil.
- * That raises the stakes for India and for our own interests in the region.
- * It was never our intention that sanctions resulting from Pakistan's nuclear tests should punish its citizens or precipitate an economic collapse.
- * We need to respond in a prudent manner and this can best be done through international institutions designed to deal with such problems.

* We think it critical that the IMF be allowed to resume negotiations on reinstating Pakistan's IMF program and we are reexamining (with our G-7 colleagues) our multilateral approach to the IMF on Pakistan.

* To fulfill our obligations under the law, we would abstain on any IMF vote, but the IMF would move ahead with the support of other major shareholders.

* Resumed IMF involvement is the minimum necessary to forestall a collapse of confidence in Pakistan's economy, but it is unlikely by itself to prevent default.

* To turn things around, Pakistan must commit to serious economic reforms.

* We and our G-7 partners, together with the IMF, will do everything possible to see those reforms are fully implemented.

* Other aspects of the Glenn sanctions - no assistance other than food and humanitarian assistance, no sales on military equipment, no sales of specified dual-use items, etc - will remain in place.

Doesn't this new policy demonstrate U.S. favoritism for Pakistan vis a vis India?

* We are not being softer on Pakistan than India in our sanctions regime.

* If anything, the overall effect of sanctions is harder on Pakistan.

* Since India neither seeks nor receives support from the IMF, we are not giving something to Pakistan that we are refusing to give to India.

RUSSIAN FINANCIAL SITUATION
July 27, 1998

Background: Little or no press play today on Russian economy. Russian markets continued to weaken. Stocks were down another 7.5 percent by late afternoon Moscow time on light trading. The ruble was fixed at the lower (depreciated) and of the Central Bank's exchange rate band, indicating that the Bank was selling dollars to support it. Current dynamic being driven by investor concerns over implementability of Moscow's commitments to the IMF, skepticism that government has political clout to force new measures through the Duma when (and if) it returns in August or that it can force compliance with its tax-related decrees.

Why are Russian markets continuing to weaken even with the IMF's approval of a new financing package for Russia?

- * Investors still watching policy implementation closely.
- * Points up how critical it is now that Russian government focus on following through on the commitments it has made to the IMF.
- * This is going to be a long process. Can't expect a turnaround in investor attitudes overnight.

What did the Vice President and Prime Minister Kiriyenko discuss last week about Russia's financial situation?

- * The two discussed a range of issues, including the Russian government's new economic reform program and prospects for its implementation.
- * They also discussed bilateral trade issues and steps Russia is taking toward accession to the World Trade Organization.

If asked -- Did the Vice President promise to push for permanent MFN status for Russia? And that the two countries would not launch anti-dumping investigations against each other?

* The Vice President reaffirmed the statement that Presidents Clinton and Yeltsin made in Helsinki that the two sides should work toward creating the conditions that would allow for permanent and unconditional MFN status for Russia.

* We are willing to consult with the Russians on trade policy issues, but the Vice President made no commitment of any form on an early warning system on anti-dumping investigations. US laws on anti-dumping are clear and how we respond is driven by that. There are broader trade issues on which informal consultations would be appropriate and we are ready to discuss with the Russians what they might be.

What is your reaction to the new financing package for Russia approved by the IMF last week?

* As I said in my statement, commend the important steps Russia has taken to strengthen its public finances, preserve financial stability and further help lay the groundwork for economic growth through structural reform.

* Welcome the decision by IMF Executive Board to expand its funding for Russia's reform program.

* Look forward to full implementation of these reforms and to additional action to put Russia's finances on a sustainable path.

If Asked -- Given all the promises the Russians have broken in the past on economic reform, why should we believe that this time will be any different?

* Need to put Russian reform process in context. Over the past seven years, Russia's economy has undergone a major transformation. Process of change always a difficult one.

* Program Russia is now pursuing is one devised for Russian purposes and they are acting on it because they believe it is good for Russia.

What about Duma Chairman Seleznev's comments last week about there being no agenda that justifies holding an extraordinary session in August? How can we believe that any further progress on program is likely?

* Up to Russia to work through its internal political process. Hope to see spirit of cooperation and mutual understanding on part of both government and legislature as they continue to work through on the reform program.

Doesn't the reduction in the initial IMF tranche from \$5.6 billion to \$4.8 billion indicate that Fund members remain concerned about Russia's ability to make good in its commitments?

* In deciding to approve this significant new financing package, IMF Board acknowledged the significant measures taken by the Russian government to boost revenues, reduce spending, and restructure their debt.

* As IMF Acting Managing Director Fischer said in his press statement, the Fund reduced the initial disbursement because Russia still needs to enact measures to reform the personal income tax system and strengthen the Pension Fund. The \$800 million balance of the initial tranche is expected to be made available in September, assuming that the measures in question are satisfactorily addressed.

Aren't some of the decrees that Yeltsin has announced to implement parts of the government's anti-crisis program unconstitutional?

* Russian Government has certain legal authorities to act in the absence of legislation. Up to Russian legal system to decide on specific measures.

How is Yeltsin handling the current economic crisis? Is he living up to commitments necessary to produce desired reforms?

* President Yeltsin providing strong leadership at a difficult moment for Russia.
Has thrown his support behind key fiscal and other reforms.

What do you think of the government's anti-crisis program?

* Measures announced move Russia significantly in right direction.
The United States supports Moscow's efforts to bring down the budget deficit, stabilize the currency, boost taxes, and reduce wage arrears.

* Investors will be watching closely as the government implements the program.

RUSSIA: ALLEGED SUPPORT FOR AFGHAN REBELS

July 27, 1998

Are U.S. intelligence reports accurate that the Russians are supplying arms and equipment to factions in the Afghan civil war as described in today's New York Times? What is the Administration doing about it?

* Can't comment on intelligence matters.

* We are working closely with countries in the region, including the Russians, to support the UN Secretary General's efforts to negotiate a peaceful end to the Afghan civil war. UN Ambassador Bill Richardson traveled to Kabul and Pakistan in April to push this process forward.

* We would encourage all countries to stop arms shipments to the Afghan factions.
The people of Afghanistan have suffered too long and deserve a chance at reconciliation and a lasting settlement.

VP GORE'S RUSSIA/UKRAINE TRIP

July 27, 1998

Background: Vice President Gore met with Ukrainian President Kuchma on July 22 and 23. The Vice President visited Chornobyl on July 23 and gave a major speech on Chornobyl and international responsibilities on nonproliferation. He went from Ukraine to Moscow on the afternoon of July 23, had dinner with Prime Minister Kiriyenko and met with Kiriyenko on July 24. The meeting with President Kuchma was the second session of the U.S.-Ukraine Binational Commission. The meeting with Prime Minister Kiriyenko was an "executive session" between the co-chairs of the U.S.-Russian Commission on Economic and Technical Cooperation.

Can you provide a read-out of the VP's trip to Russia and Ukraine?

* Vice President had very successful visits to Ukraine and Russia. In Ukraine, convened with President Kuchma the second meeting of the U.S.-Ukraine Binational Commission. Meeting with Kiriyenko was not an official session of our Binational Commission, but an executive session between the co-chairs.

* Sessions in Ukraine covered economics, trade and investment, foreign policy and security issues. Vice President and President Kuchma heard reports from four committees in these areas. Specific results included:
--signing of Mutual Legal Assistance Treaty to create framework for law enforcement cooperation;
--agreement to intensify work on reforms in energy, agriculture and small business sectors;
--agreement to form a working group on climate change;
--reaffirmed commitment to resolve outstanding business disputes;
--agreement on steps to protect against desecration of Jewish cemeteries.

* The Vice President affirmed that U.S. supports a strong IMF program with Ukraine, encouraged Ukraine to complete negotiations with the IMF, underscored that strong substantive framework is key to success of such a program.

* On Chornobyl, Vice President and President Kuchma agreed that

year 2000 should
be target for closure. Vice President had long and useful discussion
with
President Kuchma on how Ukraine's energy needs can be met after
closure; he will
be following up with President Kuchma.

* The Vice President and PM Kiriienko focused on developing a
future agenda for
their commission and worked on preparations for summit in early
September.
Meetings also produced substantive results:

- agreed to take up protection of investor rights as part of Commission
work;
- signed framework agreement to create foundation for possible joint
program on
plutonium disposition;
- signed framework agreement to develop joint program on
downsizing and
generating employment for nuclear cities.

YEMEN - KILLING OF NUNS July 27, 1998

Any reaction to the killing in Yemen of the three nuns from the
Missionaries of
Charity?

* We condemn these killings and extend our condolences to the
Missionaries of
Charity. We strongly urge the Government of Yemen to bring to
justice those
responsible for this terrible act.

CHINA SATELLITES - HUGHES EFFORTS July 27, 1998

Can you detail Hughes's efforts to remove the 1993 missile sanctions?

- Not surprisingly, the applicability of Category II missile sanctions to
commercial satellites was of significant interest to Hughes and other
satellite
manufacturers. Hughes strongly advocated that the missile sanctions
law should

not apply to any commercial communications satellites.

- Hughes made great and well-publicized efforts to ensure that its views were known to the administration and Congress. In particular, Hughes received bi-partisan support from members of Congress.
- For example, in October 1993, thirty members of the California Congressional delegation sent a letter to then-Secretary of State Warren M. Christopher urging the administration to ease the ban for Hughes Electronics Corp. and allow U.S. communications satellites to be launched on Chinese rockets.
- In the end, Hughes's position was not endorsed by the Clinton Administration.
- Rather, as noted above, the Administration decided that the best legal interpretation of the sanctions was that the export of satellites primarily regulated by the State Department would be prohibited by the sanctions but the export of satellites primarily regulated by Commerce would not be prohibited.
- The Administration's decision caused Hughes to modify two satellites (by removing more sensitive technology such as a kick motor) so that they would fall within Commerce's jurisdiction.

INTERNATIONAL CRIMINAL COURT
July 24, 1998

What is your reaction to the comments by Senator Helms during yesterday's hearing that the United States should withdraw from all foreign peacekeeping activities and reopen our Status of Forces Agreements with other countries given the final

text of the ICC treaty?

* We do need to assess the implications for U.S. policy of adoption of the ICC treaty and have begun the process of doing so. At the same time, we note that the treaty will not enter into force until 60 countries have ratified it. This will take some time. We need to make judgments in this area judiciously and will do so in the weeks and months ahead.

What is the U.S. reaction to the final text of the treaty relating to the International Criminal Court?

* We are disappointed with the final text of the treaty. While we have always supported the establishment of a permanent court and continue to support the concept of such a court, we are concerned that this treaty's provisions could make persons, including U.S. citizens, who are involved in critical international activities -- like peacekeeping operation, humanitarian relief and enforcement of sanctions -- vulnerable to unwarranted prosecution before the court.

* In particular, we do not support the way in which the court's jurisdiction may be extended to the citizens of States that are not parties to the treaty. Under the treaty as drafted, the court may assert jurisdiction over a person if it has only the consent of the state where an alleged offense occurred. This means that U.S. citizens and others involved in international activities -- even though their countries may not be parties to this treaty -- could be hauled before the court without the agreement of their country of nationality. This violates basic principles of treaty law and could greatly inhibit the ability of the United States and others to participate in these sorts of operations.

* We find this jurisdictional provision particularly troubling because, in essence, it provides a shield to those who abuse human rights inside their own borders while making vulnerable others who are engaged in overseas

activities.

* We have several other problems with the treaty, including the inclusion within the court's jurisdiction of the crime of aggression.

* We will be digesting the treaty over the next several days to determine what our response will be.

Will the U.S. actively oppose the establishment of the court?

* We are not prepared to answer that question at this time. We are studying the treaty to determine how to respond.

Why would the U.S. vote against this treaty while all of our chief allies supported it?

* The United States plays a unique role in maintaining international peace and security and we wish to ensure that we can continue to play such a role without undue interference. We are concerned that the treaty as drafted could jeopardize activities associated with this role.

TAIWAN - PRESIDENT'S SPEECH July 23, 1998

What is the U.S. reaction to Taiwan President Lee Teng-hui's July 22 speech in which he said that while there will be "one China" in the future, now there is "one divided China."?

* We welcomed Lee Teng-hui's (LEE DUNG WAY) speech, in particular its call for increasing cross-Strait dialogue and exchanges and improvement in cross-Strait relations. We have encouraged both Taiwan and the PRC to resume such talks and increase exchanges, which help promote peace and stability in the region, and Lee's speech is a positive reinforcement of our own message.

* We do not take a position on specific proposals or the agenda in

cross-Strait
discussions. We do find it noteworthy that Lee said there would be
"one China"
in the future.

THAAD
July 27, 1998

What is your reaction to today's story in the Washington Post detailing
problems
with the Theater High Altitude Area Defense (THAAD) System?

- * Developing and deploying defensive systems to counter the threat
posed by the
proliferation of ballistic missiles is one of our highest priorities.
- * That said, it will not contribute to our national security if we were to
spend
billions of dollars prematurely to deploy a missile defense system that
was not
effective.
- * Refer you to the Pentagon for details regarding the THAAD
program and the
efforts being undertaken to get THAAD on track.

ARLINGTON BURIAL PROCEDURES
July 27, 1998

Will a waiver be obtained to bury Officer Gibson at Arlington
National Cemetery?

- * Under current law (Title X), the Superintendent of Arlington
National Cemetery
makes a recommendation to the Secretary of the Army, who makes
the decision to
grant waivers for burials at Arlington. Since 1993, 58 were granted by
Secretary
West (including Larry Lawrence), seven by acting Secretaries of the
Army, and
four by the President.

* Of the four waivers approved by the President, one was for Washington D.C. police officer Henry J. Daly, who was killed in the line of duty (he was a Marine Corps veteran, but did not meet Arlington burial criteria). The other three approved by the President were Associate Supreme Court Justice Thurgood Marshall; Mrs. Elvera S. Burger, wife of retired Supreme Court Chief Justice Warren Burger (who subsequently was buried with his wife at Arlington when he passed away); and J.W. Seale, a DEA agent killed in a plane crash in Peru on an official mission (he was an Army veteran, but did not meet Arlington burial criteria).

* In February, the House passed HR-3211, which would eliminate the Administration's authority to grant waivers for persons like Officer Gibson who do not meet the eligibility criteria. It was referred to the Senate, was sent to the Senate Veteran's Affairs Committee on March 25th, and has not been reported out to the full Senate. The administration has opposed the bill's provisions that would limit the President's historical discretion to grant waivers for Americans who have performed extraordinary public service outside the military, such as Supreme Court Justices Thurgood Marshall and Warren Burger.

GREECE - PANGALOS REMARKS

July 27, 1998

Any reaction to new Pangalos comments that it's a habit of US presidential candidates to make promises and then not to keep them?

* As we said last week, such remarks are disappointing and unwarranted.

* The Clinton Administration has worked tirelessly to promote a settlement of the Cyprus conflict since January 1993. Finding a solution to the conflict

that has
divided the island for far too long remains one of our highest
priorities. Dick
Holbrooke, Tom Miller and others are hard at work.

* But the United States cannot want a solution to the conflict more
then the
parties themselves.

CAMBODIA - ELECTIONS July 27, 1998

What is your reaction to the Cambodian elections?

* It is too early to come to any definitive conclusions on the elections.

However, international observers are encouraged by the large turnout
(over 90
percent of eligible voters) and the obvious desire of the Cambodian
people to
exercise their right to vote.

* Election observers have praised the competence of the polling
officials and the
way they accomplished their responsibilities.

* The election was largely peaceful, although in an isolated region
near the Thai
border north of Anlong Veng, hardcore Khmer Rouge guerillas
reportedly killed
seven civilians and several government soldiers in an election day
attack. The
attack did not disrupt voting in the immediate area.

* No preliminary results are available as yet. Although the polling
seems to
have gone reasonably well, we remain concerned about the
intimidation and other
irregularities that occurred during the campaign.

* The elections appear to have gone well. However, the vote still must
be
counted and Cambodia's political parties and the results still must be
announced
("official" preliminary results are expected on August 1).

Exchange Mail

DATE-TIME 7/30/98 7:01:47 PM

FROM Wozniak, Natalie S.

CLASSIFICATION UNCLASSIFIED

SUBJECT DAILY GUIDANCE UPDATE [UNCLASSIFIED]

TO

Abercrombie-Winstanley, Gina K.
Addonizio, Elizabeth
Akers, Dale W.
Albert, Ronda A.
Allen, Charles A.
Andreasen, Steven P.
Antholis, William J.
Armstrong, Fulton T.
Bader, Jeffrey A.
Baker, James E.
Bandler, Donald K.
Barks-Ruggles, Erica
Barnett, Cheryl E.
Bartlett, L. June
Bartsch, Bryan W.
Battenfield, Pat A.
Bayley, Douglas C.
Behring, Deanna M.
Bell, Robert G.
Bellamy, Ralph C.
Bemisderfer, Dwight D.
Benjamin, Daniel
Bidlack, Harold W.
Birkland, Andrea L.
Blinken, Antony J.
Bobbitt, Philip C.
Bolinski, Charlene C.
Bouchard, Joseph F.
Braden, Susan R.
Brainard, S. Lael
Branscum, Sean D.
Bresnahan, Gary E.
Broadwick, Bonnie
Brown, Keim C.
Bryan, Dave L.
Budig, Nyda N
Burrell, Christina L.
Busby, Scott W.
Butler, Lawrence E.

Campanella, Anthony
Caravelli, John M.
Carteret, Charles L.
Chastain, George M.
Clark, Bronya H.
Clarke, Richard A.
Cooper, James B.
Cooper, Kathleen H.
Cosgriff, Kevin J.
Countryman, Thomas M.
Covey, James P.
Crowder, Stevan D.
Crowell, Thomas R.
Crowley, Philip J.
Darnes, Victoria J.
Davies, Glyn T.
Davis, Mary K.
Dean, Susan W.
Dejban, Donna D.
DeRosa, Mary B.
Dimel, Marsha L.
Dobbins, James F.
Dollar, Carolyn J.
Dowling, John N. (Nick)
Dupuy, Shawn L.
Edwards, Joan K.
Elkon, Nicole L.
Epstein, Gerald L.
Erdahl, Douglas M.
Farrar, Jay C.
Ficklin, John W.
Figueredo, Orlando
Flanagan, Stephen J.
Ford, Robert G.
Friedrich, Mary K.
Fung, Mark T.
Gagnon, James M.
Gallucci, Gerard M.
George, Christopher L.
Glick, Bonnie L.
Gobush, Matthew N.
Gordon-Hagerty, Lisa E.
Gray, Wendy E.
Green, Charles A.
Greer, Jason H.
Gregory, Susan J.
Hachigian, Nina L.
Haines, Mary A.
Hale, John E.
Halperin, David E.

Harding, Bruce D.
Harold, Evetta M.
Harris, Elisa D.
Harris, Karen
Harrison, Lyle M.
Hasman, Thomas M.
Hawkins, Ardenia R.
Hawley, Leonard R.
Hendricks, Lori A.
Higgins, David B.
Highsmith, Newell L.
Hill, Roseanne M.
Hilliard, Brenda I.
Hillman, Thomas W.
Hunerwadel, Joan S.
Hurwitz, Marc I.
Jansen, Christian P.
Johnson, Anthony
Johnston, William T.
Jones, Felicia A.
Jones, Kerri-Ann D.
Jordan, Kristine A.
Joshi, M. Kay
Kale, Dora A.
Kelly, Sandra L.
Kerrick, Donald L.
Kiernan, Gerald P.
Kingsley, Neil R.
Kinser-Kidane, Brenda J.
Klein, Brian P.
Knepper, Charlotte
Kunin, Daniel L.
Langley, Janice M.
Lawrence, Cynthia
Leary, William H.
Leavy, David C.
Lee, Malcolm R.
MacDonald, Bruce W.
Malley, Robert
Marsh, Thomas S.
Marshall, Betty A.
Marty, Joseph H.
Maxfield, Nancy H.
McCarthy, Mary O.
McClellan, Christina L.
McEldowney, Nancy E.
McGee, Jenny A.
McIntyre, Stuart H.
Merchant, Brian T.
Metzl, Jamie F.

Millison, Cathy L.
Mitsler, Elaine M.
Miyaoaka, Lester H.
Moller, Catherine A.
Motherway, Daniel J.
Naplan, Steven J.
O'Brien, Penelope R.
Papadimitriou, Marianna
Pascual, Carlos E.
Payne, Raymond H.
Piccone, Theodore J.
Porter, Pete
Porterfield Patrick C.
Prendergast, John P.
Prise, Edith M.
Pritchard, Charles (Jack) L.
Quinn, Mary E.
Ragan, Richard F.
Rice, Edward A.
Riedel, Bruce O.
Rinaldi, Steven M.
Roach, Darren S.
Rogers, Elizabeth B.
Rosa, Frederick M.
Roundtree, Beverly
Rudman, Mara E.
Salvetti, Lisa M.
Samore, Gary S.
Sanborn, Daniel R. K.
Sandalow, David B.
Sanders, Robin R.
Sapiro, Miriam E.
Schrader, Joel M.
Schulte, Gregory L.
Schwartz, Eric P.
Scott-Perez, Marilyn L.
Sculimbrene, Thomas A.
Sherman, David J.
Sibley, Matthew W.
Sigler, Ralph H.
Silva, Mary Ann T.
Simon, Steven N.
Simons, James R.
Sisson, Charlotte A.
Smith, Gayle E.
Smith, James A.
Smith, Michael P.
Snyder, Julie A.
Soubers, Richard R.
Spence, Matthew J

Starks, Tali T.
Storey, Sharon V.
Tarver, J. Sean
Thier, J. Alex
Thompson, Kathleen C.
Todd, Gwennyth E.
Tucker, Maureen E.
Unrue, Michael
vonLipsey, Roderick K.
Wadsworth, Valon J. (Val)
Ward, JoAnn
Ward, Steven R.
Wasserman, Elaine P.
Wechsler, William F.
Weinstein, Jeremy M
Weiss, Andrew S.
Widmer, Edward L. (Ted)
Williams, Mary C.
Wippman, David
Witkowsky, Anne A.
Wozniak, Natalie S.
Wright, Allison M.
Wright, Joseph (Larry)
Yokum, Jeffrey G.

CARBON_COPY

Babbitt, James F.
Babcock, Douglas W.
Bolan, Christopher J.
Boulton, Darrien D.
Davidson, Leslie K.
Elkind, Jonathan H.
Fuerth, Leon S.
Hamel, Michael A.
Harding, Bruce D.
Hilty, Joanne M.
Johnston, William T.
Jordan, Donald L.
Norris, John J.
Orfini, Michael H.
Roberts, Michael W.
Saunders, Richard M.
Woolston, Ann E.

TEXT_BODY

Please review and forward your updates to @PRESS by 10:00 a.m.
Friday, July 31. Thanks.

TRANSLATED_ATTACHMENT

jul30gui.doc
NATIONAL SECURITY AFFAIRS GUIDANCE
July 30, 1998

Japanese Government

Indonesia/East Timor

India-Pakistan

Kosovo

Sudan

Angola

Military Readiness

Germany/Schroeder Visit Announcement

Ecuador

North Korea/Rumsfeld

Colombia/Pastrana Visit

Israel/Knesset

MEPP

Iraq/IAEA

Iraq/UNSCOM

Libya/Lockerbie

Russian Financial Situation

China Satellites/Hughes Efforts

ICC

Cambodia

WMD/Executive Order

NEW JAPANESE GOVERNMENT
July 30, 1998

What do you think of the new Japanese government?

* Prime Minister Obuchi has put together an experienced cabinet. We look forward to working with him and his government.

Will President Clinton call the new Prime Minister?

* I would expect that the two leaders will talk in the next day or two.

Do you think that Miyazawa has what it takes to be Finance Minister?

* We know him well. He has a great deal of experience at the Finance Ministry.

* I don't think personalities with respect to the Japanese economy are nearly as important as the policies that the government pursues.

* We want to see strong domestic-led growth. We think that there needs to be a substantial undertaking of deregulation and banking reform. It's very important for the global economy, the regional economy in Asia, to have a strong Japanese economy that can help restore vigor and growth to the region.

When will they get together?

* Nothing is scheduled. We have said that they will get together at the earliest mutually convenient time, but we have nothing to announce.

Would a meeting in New York at the opening of UNGA be possible?

* Yes, that's one possibility.

INDONESIA: EAST TIMOR
July 30, 1998

Do you have any details about UN facilitated talks on East Timor?

* UN- facilitated talks are scheduled in New York for August 4 and 5. We would not venture on the outcome of those talks but are hopeful that the results would produce an agreement between Indonesia and Portugal to exchange interests sections and to encourage the intra-Timorese dialogue.

* Indonesia's ongoing political transition presents an opportunity to achieve progress in resolving the issue of East Timor.

* We urge all the concerned parties to use this opportunity to work for a just, peaceful, and lasting resolution.

* We also urge the Indonesian authorities to exercise maximum restraint when faced with demonstrations.

INDIA-PAKISTAN

July 30, 1998

What is your reaction to the meeting between the Indian and Pakistani Prime Ministers in Sri Lanka Wednesday?

* We welcome the resumption of dialogue between India and Pakistan. We are encouraged that the two leaders have met and agreed to further discussions between their Foreign Secretaries.

* Resumption of the Indo-Pakistani dialogue is one of the benchmarks for reducing tensions in South Asia highlighted by the P5 and G8 earlier this year. The President wrote both leaders earlier this month encouraging them to meet in Colombo and resume the dialogue. The meeting in Colombo is a step in the right direction.

What is the status of the President's trip to India and Pakistan?

(The President's trip to South Asia remains under review.

(Although the Indian and Pakistani nuclear tests have raised questions as to the utility of such a trip, no final decision has yet been made.

KOSOVO
July 30, 1998

What's new on the diplomatic front in Kosovo?

(We are concerned about the recent FRY army and police offensive against civilian population centers that has displaced thousands more from their homes. We are urging both Belgrade and the Kosovo Albanian leadership to cease violence.

(Milosevic is failing to live up to the Contact Group demands and his pledges to President Yeltsin in Moscow. His forces continue repressive operations, while blocking access by international diplomatic monitors.

(We also believe it is essential for the Kosovo Liberation Army (UCK) to stop provocations and commit to negotiation process.

(Ambassador Chris Hill is working closely with the parties to take needed steps to start negotiations toward a political settlement which provides an enhanced status for Kosovo, preserving the territorial integrity of the FRY and safeguarding the rights of all inhabitants of Kosovo, regardless of ethnic origin.

* We are encouraged that the Kosovars have agreed in principle to form a single negotiating team, an essential precondition for negotiations. We are encouraging them to keep working to develop a common approach.

(Wednesday, NATO Ambassadors met to review the status of NATO planning. Planning continues on an accelerated basis for a broad range of

contingencies to ensure that the Alliance is prepared to contribute to a resolution of the crisis and to prevent any spillover to neighboring countries. No options are ruled out.

SUDAN
July 30, 1998

Is the U.S. providing covert aid to overthrow the Government of Sudan?

* No. We are providing a small amount of non-lethal, defensive military equipment to neighboring states of Sudan that are victims of Sudanese-supported terrorist organizations. For example, we provide backpacks and radios to the Government of Uganda to better defend civilian populations from the atrocities of the Lord's Resistance Army.

If the U.S. policy of isolating the Sudan Government has not worked, will you pursue expanded dialogue and engagement with Khartoum?

* We are committed to our policy of isolating the Sudan regime and containing the threat it poses to the international community through its support for terrorism and to its own people through its massive human rights abuses. We believe the policy is doing what it intended to do: deny hard currency and aid to the Government to pursue its war strategy, restrict arms sales to the regime, maintain the spotlight on the actions of the Government that have led to this famine, and force Khartoum into making concessions at the peace talks currently underway. We continue to have regular dialogue with the Government through bi-weekly visits to Khartoum by our Chief of Mission credentialed to Sudan.

Do you support the idea of sending a high-profile American negotiator to help make the cease-fire permanent and to broker a peace accord?

* We are working closely with the British and other countries to extend the cease-fire. We also are increasing our support for the African-led peace process under the auspices of the Inter-Governmental Authority on Development (IGAD). The IGAD Peace Initiative has made more progress at the negotiating table during the last few months of talks than any other initiative has made during the previous fifteen years of war. We are considering a number of options of how to bring greater support and attention to the Sudanese crisis, but sending a high level negotiator now would only undermine the current talks and provide Khartoum with a way to sidestep the international consensus that has built up in support of the IGAD Peace Initiative and the fundamental issues of the conflict on which this Initiative has focused the warring parties' attention.

ANGOLA - DISCUSSIONS

July 30, 1998

What do you think needs to be done to resolve the Angola crisis?

* While we supported the extension of sanctions when UNITA failed to carry out its responsibilities under the peace agreement, we continue to believe that remaining issues should be resolved peacefully. We are discussing within our Government, with our Troika partners (Portuguese and Russians), and with the United Nations, what additional steps we can take to ensure that Angola continues on the path to peace and that UNITA meetings its obligations under the Lusaka Protocol.

* We welcome Secretary General Kofi Annan's appointment of a

Special Envoy for
Angola, Lakhdar Brahimi, who will be traveling to the region soon to
engage both
parties and to underscore the UN's determination to work to resolve
the current
impasse and work towards peace.

MILITARY READINESS: PERSONNEL ISSUES AND BUDGET July 30, 1998

* Under the awesome burden of these responsibilities, we have
worked diligently
within the parameters established by the Balanced Budget Agreement
to preserve
and provide for the readiness of our armed forces while meeting
priority military
challenges established in the 1996 Quadrennial Defense Review
(QDR).

* We struck a fine balance between near-term readiness, long-term
modernization
and quality of life improvements for our men and women in uniform.

* A key element of this balance was our decision to increase funding
for
modernization to protect long-term readiness.

* In this context, we decided to make modest reductions in personnel,
primarily
in support positions, across the force structure. But in all these
decisions, we
ensured that the high readiness levels of our forward-deployed and
"first-to-fight" forces were maintained.

* Our military is fully capable of carrying out our national military
strategy
and meeting America's defense commitments around the world.

* This fiscal year, with Congress' support for the Bosnia and
Southwest Asia
non-offset emergency supplemental funds, we were able to protect our
high payoff
readiness accounts.

* If we can win Congressional approval of our pending FY98
omnibus reprogramming

package, the Department of Defense will be able to move on the order of \$1 billion to high-priority readiness-related accounts. In his remarks at the USS HARRY S TRUMAN commissioning, the President challenged Congress to approve these important readiness-related reprogrammings before going on summer vacation.

- * The FY99 budget is the first QDR budget and it increases funding for readiness and modernization and preserves quality of life for military personnel.

- * In the critical readiness-related area of operations and maintenance, our FY99 budget request sustains the \$65,000 spending level per servicemember that we initiated five years ago.

- * Our FY99 budget also continues our shift of funds to readiness by redirecting \$1 billion to support flying hours, buy more spare parts, and improve depot maintenance.

- * The Services have all established tempo standards for their units, and any unit exceeding those standards is intensively managed. The Air Force has cut the length of its temporary duty assignments in half. The Chairman's exercise program is halfway through a five-year, 25 percent reduction in total exercise man days. Deployments overseas have been reduced and replaced with units on a stand-by status in the United States.

- * Although we have accomplished much on the readiness front, much more needs to be done.

- * The President and our military leadership are constantly reevaluating the readiness of our forces and attacking problems in individual readiness areas as they arise.

- * The continued robust U.S. economy, which is clearly a great benefit for our country, is increasing the challenge of recruiting and retaining the top-

notch
personnel we need.

* To overcome this and other readiness-related problems that have arisen will take continuing attention and cooperation by both the Executive and the Legislative branches.

* We need Congress' help in several areas:

* By passing FY99 non-offset emergency funding legislation for Bosnia, Congress will ensure that key readiness and training accounts do not have to be used by the Defense Department to offset the costs of this critical deployment.

* By approving our FY99 budget request without adding unrequested procurement or research and development programs, congress will allow the Defense Department to maintain the necessary balance between readiness and modernization essential to achieving QDR goals.

* Congress must also act to authorize two additional rounds of base closure. Without this authority, we remain burdened with the task of maintaining excess military infrastructure at a cost that invariably comes at the expense of readiness.

GERMANY: VISIT BY MR. SCHROEDER
July 29, 1998

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 29, 1998

STATEMENT BY THE PRESS SECRETARY

President to Meet with Gerhard Schroeder

Gerhard Schroeder, Minister President of the German state of Lower Saxony, has accepted the President's invitation to come to Washington. The President will receive Mr. Schroeder at the White House on August 5. The two plan to continue the exchange begun at their May 13 meeting in Berlin during the President's visit to Germany.

#

ECUADOR: MEETING WITH PRESIDENT-ELECT JAMIL MAHUAD July 29, 1998

Can you confirm that Ecuadorian President-elect Jamil Mahuad, during his visit to the White House Wednesday, met with President Clinton?

(President Clinton joined in a meeting that President-elect Mahuad was having with National Security Advisor Sandy Berger.

(The President wanted to congratulate President-elect Mahuad on his recent election. The two also talked about efforts to resolve the Ecuador/Peru border dispute.

(Facilitating a final peace agreement between Ecuador and Peru has been a high priority for the United States. President Clinton had met with two of President-elect Mahuad's predecessors (Presidents Duran-Ballen and Alarcon) to help promote a settlement, as he has with Peruvian President Fujimori.

(President Clinton expressed his satisfaction with the progress made in negotiations between Peru and Ecuador, and his support for an early and positive conclusion of the peace process.

RUMSFELD REPORT: NORTH KOREAN UNDERGROUND
FACILITIES
July 29, 1998

What is your reaction to the July 29th Washington Post article quoting claims by Rumsfeld Commission members that North Korea has built extensive underground factories for the production and testing of ballistic missiles?

(We have been aware for some time that several nations, including North Korea and Iran, use underground facilities for purposes related to weapons of mass destruction. The Rumsfeld Commission was briefed on this issue by the Intelligence Community.

(This is a matter of concern to us, and there is no doubt that underground facilities pose a challenge to intelligence collection and analysis. Our intelligence agencies have a focused effort aimed at obtaining information about them.

(By their very nature, underground facilities are of limited size and are used for specific purposes. Obviously, I cannot comment on what intelligence we may or may not have about individual installations.

(As the DCI noted earlier this month, monitoring foreign attempts to develop ballistic missile systems continues to be a top priority for our intelligence agencies. We are committed to ensuring that the Intelligence Community has robust capabilities for tracking this threat.

COLOMBIA: PASTRANA VISIT
July 28, 1998

Can you confirm that Colombian President-elect Pastrana will be meeting with President Clinton soon?

(President Clinton has invited President-elect Andres Pastrana of Colombia to meet at the White House on August 3, and President-elect Pastrana has accepted. The meeting will provide an opportunity for the two leaders to address the broad range of issues in our bilateral agenda, including counternarcotics cooperation, as well as President-elect Pastrana's efforts to begin a peace process in Colombia.

What is the United States' position on a peace process?

(The United States strongly supports development of a peace process in Colombia, of the type that has helped resolve civil conflicts elsewhere. Ultimately, any peace process will have to be created for Colombia by Colombians, but the United States is prepared to help.

(The goals of U.S. policy in Colombia are to expand our efforts against the drug trade, promote human rights and the rule of law, reinforce democratic institutions, encourage economic development and help address humanitarian needs. We are prepared to support any peace plan to the extent it is compatible with these objectives.

(Prospects for such a peace process will depend upon the willingness of Colombian insurgent and paramilitary groupings to cut their links to narcotrafficking, and renounce terrorist methods. The United States will insist, in particular, on the release of American hostages, and a full accounting of Americans missing in Colombia and presumed kidnapped.

ISRAEL: VOTE ON DISSOLUTION OF KNESSET
July 30, 1998

Any comment on the Knesset vote to dissolve itself?

* This issue is entirely one of Israeli domestic politics. We understand

that
this vote is preliminary in nature and that additional votes would be
required to
actually dissolve the Knesset.

MEPP
July 27, 1998

Are the Palestinians and Israelis still talking?

(We understand the two sides are continuing to meet this week.

(We encourage this continued dialogue. More importantly, we
encourage taking the
hard decisions needed to achieve a breakthrough.

Ras the US backed away from its promise to announce a breakdown
and explain its
ideas?

(We believe a breakthrough is preferable to a breakdown, and we
believe a
breakthrough is still possible to achieve.

(As a result of U.S. efforts and their own face-to-face discussions, the
parties
are moving closer to agreement. If they show creativity and respect
for each
other's needs, they can reach agreement, and that's why we would like
to see the
current discussions continue.

(If they cannot, we will be forced to conclude that no further progress
is
possible along these lines, and we will say so publicly.

(But we are not at that point yet.

(It would be a mistake to announce a breakthrough prematurely, and
it would
equally be a mistake to announce a breakdown prematurely.

If you think they're close to agreement, why don't you agree to the two
sides'
request for Albright or Ross to go to the region and help them close
the deal?

Why are you giving up your usual role and leaving them on their own?

(We are in constant, daily contact with both parties, urging them to continue working together and, where we can, helping each of them to define creative and constructive approaches. So it's not accurate to say we are leaving them on their own.

(The issues on which they are engaged are particularly suited for direct negotiations between the parties. Such negotiations are also vital to restore the trust and confidence needed to work successfully on the more difficult issues that await them in the permanent status negotiations. Relaunching those talks remains our objective in this phase of the process.

We continue to have no immediate plans for travel to the region.

IRAQ: IAEA REPORT July 30, 1998

Background: The International Atomic Energy Agency (IAEA) gave a written report to the Security Council July 27, and briefed the report July 29. This is an interim report; prior to the October six month report. We have said publicly that we would accept a transition to Ongoing Monitoring and Verification (OMV) once the IAEA informs the Security Council that the transition is warranted. This report did little to make that case. The Russians tabled proposals to transfer the nuclear file now, but with little expectation of success: the majority of the Council feels that the IAEA report needs more mulling before any action can be taken.

What can you tell us about the results of the most recent IAEA report?

(The interim IAEA report briefed to the Security Council Wednesday states that

no progress was made during the IAEA team's recent visit to Iraq or since the IAEA's April report.

(This comes as no surprise. For over seven years the IAEA has encountered Iraqi resistance to its investigations.

(While the IAEA has said that a technically coherent picture of the Iraqi nuclear program has emerged, the IAEA has consistently maintained that questions still remain.

(This report states that "Iraq never approached full transparency" and that there is an "inherent uncertainty" in the completeness of the technical picture.

(The IAEA still needs information and documentation on external assistance to the Iraqi nuclear program and on Iraq's specific technical achievements. The Iraqis have refused to divulge this information or supporting documentation.

What about Russian proposals to move the Iraqi nuclear program to Ongoing Monitoring and Verification (OMV)? Will this mean an end to inspections?

(The UNSC stated in May that once Iraq provides satisfactory answers to all of the IAEA's questions and concerns, the Council would be prepared to endorse a transfer to ongoing monitoring and verification. The U.S. agreed to that position.

(As the report says, the Iraqis have refused to provide the information and supporting documentation requested by the IAEA.

* As a result, the Council felt on Wednesday that any proposals for transferring the nuclear file were premature.

(Whenever the Council endorses a transfer to OMV, that system expressly allows

for intrusive inspections. Both IAEA and UNSCOM have made clear their intention to continue such inspections.

(The IAEA in its most recent report explicitly states that "effective monitoring and verification in Iraq, as required by 687 must be comprehensive and rigorous and, as a result is intrusive."

IRAQ/UNSCOM
July 24, 1998

Background: On July 22, UNSOCM Executive Chairman Richard Butler wrote to the President of the Security Council (Russian Perm Rep Lavrov) outlining an Iraqi refusal on July 18 to release documents to an UNSCOM team during an inspection of the Iraqi Air force headquarters. The documents at issue appeared to contain reference to special munitions of types which have been declared by Iraq to have been used for chemical and biological warfare agent delivery. After the Iraqi refusal to hand over the documents, Butler and General Rashid, the Iraqi Minister of Oil, telephonically came to an ad hoc temporary resolution to the incident - agreeing that the documents would be jointly sealed by UNSCOM and Iraq and examined during Butler's upcoming trip. Lavrov called in Iraqi PermRep Hamdoon on July 23 to explain the incidents, which are a clear violation of Iraq's agreement under the UN/Iraq MOU to provide UNSCOM with not just the access to the sites, but also the documents required for their work. Although this incident is now public, the issue has not been fully discussed either in Washington or among Security Council members. It would be best not to speak of the specifics of the incident, but rather to reiterate our positions regarding UNSCOM's right to full access to sites, information, and persons.

What can you tell us about Iraq refusing to turn over documents to UNSCOM during an inspection?

(UNSCOM has reported to the President of the Security Council that during a recent inspection Iraqi officials refused to hand over documents which UNSCOM believe pertain to Iraq's chemical and biological munitions.

(We understand the documents have been jointly sealed by UNSCOM and Iraq and will be opened and examined by Ambassador Butler when he visits Baghdad in early August.

(This is a very serious matter. In accordance with the UN/Iraq Memorandum of Understanding, Iraq agreed to full access by UNSCOM not only to sites, but also to documents, information, and persons. More important than just access, however, is the fact that Iraq is required to provide affirmative disclosure of its program. This, Iraq has not done.

(Again, Iraq is trying to re-write the rules and is engaging in its pattern of cheat and retreat. This new example of Iraqi defiance is not surprising, but it is still totally unacceptable. The entire Security Council will be in agreement on this.

(Iraq must release all information pertaining to its weapons of mass destruction and delivery systems.

(The President of the Security Council called in the Iraqi PermRep yesterday to explain. We are waiting for Ambassador Lavrov to discuss this meeting with the rest of the Council.

LIBYA: LOCKERBIE
July 28, 1998

There are reports that you are close to a deal to try the Libyans accused of the

Pan Am 103 bombing in The Hague. Is this true?

(Our primary objective since the Pan Am 103 tragedy in 1988 has been to bring the perpetrators to justice.

(We believe that the perpetrators should be tried before a U.S. or Scottish court.

(We have explored alternative ways to accomplish this objective during the past ten years, but both practical and legal obstacles exist. No decisions have been made.

Have you heard back from the Libyans at this point? Have they rejected the idea of a Scottish Court with Scottish judges in The Hague? If they say no, then what?

(No decisions have been made. Libya has, however, indicated publicly that it would accept trial in a Scottish Court outside Scotland. This is not a negotiation. Qadhafi knows what his responsibility is, to turn over the suspects for trial in a U.S. or Scottish Court.

(If he does not turn over the suspects, this will only reinforce to the international community the need to maintain tough measures against Libya until Justice is done.

Has the President talked with PM Blair about having a trial in a third country?

(As the President said, he has been personally engaged in bringing the Pan Am 103 suspects to Justice for years. We have had conversations with the UK on this matter.

(The President and the Prime Minister speak regularly. I am not in a position to detail the content of those discussions, nor is it our practice to detail the content of such discussions.

But, does that mean you are considering doing this in a third country like The Netherlands?

(We are determined to bring these perpetrators to justice. In cooperation with authorities in the United Kingdom, we continue to consult on how to best accomplish that objective.

(I have pledged to the families of the Pan Am 103 victims that we will not stop until we see justice in this case.

What are some of the practical and legal obstacles?

(The idea of standing up a court from one country within another country's territory raises a number of legal issues that we need to answer. The issues are sui generis. Again, no decision has been made, but we remain determined to bring these perpetrators to justice before a U.S. or Scottish court.

RUSSIAN FINANCIAL SITUATION July 29, 1998

(Russia has embarked on a major reform effort supported by the IFIs. It's a strong and ambitious program.

(Major thrust of the reform is getting Russia's fiscal house in order. This will create the foundation for a return to growth.

(Markets looking carefully at program and Russia's ability to implement it. Understandable that there is market uncertainty given international market volatility.

(As Russia itself has noted, performance is key to building investor confidence. Prime Minister Kiriienko affirmed his government's commitment to

enact and
implement its reform program during Vice President Gore's visit. This
is the
right next step for Russia.

If Asked -- Given all the promises the Russians have broken in the
past on
economic reform, why should we believe that this time will be any
different?

(Need to put Russian reform process in context. Over the past seven
years,
Russia's economy has undergone a major transformation. Process of
change always a
difficult one.

(Program Russia is now pursuing is one devised for Russian purposes
and they are
acting on it because they believe it is good for Russia.

CHINA SATELLITES - HUGHES EFFORTS July 27, 1998

Can you detail Hughes's efforts to remove the 1993 missile sanctions?

(Not surprisingly, the applicability of Category II missile sanctions to
commercial satellites was of significant interest to Hughes and other
satellite
manufacturers. Hughes strongly advocated that the missile sanctions
law should
not apply to any commercial communications satellites.

(Hughes made great and well-publicized efforts to ensure that its
views were
known to the administration and Congress. In particular, Hughes
received
bi-partisan support from members of Congress.

(For example, in October 1993, thirty members of the California
Congressional
delegation sent a letter to then-Secretary of State Warren M.
Christopher urging
the administration to ease the ban for Hughes Electronics Corp. and
allow U.S.
communications satellites to be launched on Chinese rockets.

(In the end, Hughes's position was not endorsed by the Clinton Administration.

(Rather, as noted above, the Administration decided that the best legal interpretation of the sanctions was that the export of satellites primarily regulated by the State Department would be prohibited by the sanctions but the export of satellites primarily regulated by Commerce would not be prohibited.

(The Administration's decision caused Hughes to modify two satellites (by removing more sensitive technology such as a kick motor) so that they would fall within Commerce's jurisdiction.

INTERNATIONAL CRIMINAL COURT

July 24, 1998

What is your reaction to the comments by Senator Helms during a hearing that the United States should withdraw from all foreign peacekeeping activities and reopen our Status of Forces Agreements with other countries given the final text of the ICC treaty?

(We do need to assess the implications for U.S. policy of adoption of the ICC treaty and have begun the process of doing so. At the same time, we note that the treaty will not enter into force until 60 countries have ratified it. This will take some time. We need to make judgments in this area judiciously and will do so in the weeks and months ahead.

What is the U.S. reaction to the final text of the treaty relating to the International Criminal Court?

(We are disappointed with the final text of the treaty. While we have always supported the establishment of a permanent court and continue to

support the concept of such a court, we are concerned that this treaty's provisions could make persons, including U.S. citizens, who are involved in critical international activities -- like peacekeeping operation, humanitarian relief and enforcement of sanctions -- vulnerable to unwarranted prosecution before the court.

(In particular, we do not support the way in which the court's jurisdiction may be extended to the citizens of States that are not parties to the treaty. Under the treaty as drafted, the court may assert jurisdiction over a person if it has only the consent of the state where an alleged offense occurred. This means that U.S. citizens and others involved in international activities even though their countries may not be parties to this treaty -- could be hauled before the court without the agreement of their country of nationality. This violates basic principles of treaty law and could greatly inhibit the ability of the United States and others to participate in these sorts of operations.

(We find this jurisdictional provision particularly troubling because, in essence, it provides a shield to those who abuse human rights inside their own borders while making vulnerable others who are engaged in overseas activities.

(We have several other problems with the treaty, including the inclusion within the court's jurisdiction of the crime of aggression.

(We will be digesting the treaty over the next several days to determine what our response will be.

Will the U.S. actively oppose the establishment of the court?

(We are not prepared to answer that question at this time. We are studying the treaty to determine how to respond.

Why would the U.S. vote against this treaty while all of our chief allies supported it?

(The United States plays a unique role in maintaining international peace and security and we wish to ensure that we can continue to play such a role without undue interference. We are concerned that the treaty as drafted could jeopardize activities associated with this role.

CAMBODIA - ELECTIONS July 28, 1998

What is your reaction to alleged irregularities in the Cambodian elections?

(Although the "official" preliminary election results are not scheduled to be released until August 1, Prince Ranariddh and Sam Rainsy, on the basis of preliminary returns, have charged that there were significant irregularities and fraud in both polling and tabulation of the vote.

(It is too early to reach any definitive conclusions on the results of the elections. International observers were encouraged by the large turnout and the obvious desire of the Cambodian people to exercise their right to vote.

(Election observers have praised the competence of the polling officials and the way they accomplished their responsibilities.

(The charges of fraud and irregularities leveled by Prince Ranariddh and Sam Rainsy are serious allegations. We urge the Cambodian election authorities to investigate them thoroughly to ensure that the results of the election reflect the will of the Cambodian people.

EXECUTIVE ORDER ON WMD
July 28, 1998

Can you provide information about the EO on Weapons of Mass Destruction?

(The U.S. has taken a series of actions that respond to a recent announcement by the Russian government that it is conducting special investigations against Russian entities suspected of cooperating with foreign WMD and missile programs. U.S. actions include a cut off of assistance programs to these entities and a ban on imports from these entities. The President issued an Executive Order that amends Executive Order 12938 to more effectively respond to the worldwide threat of weapons of mass destruction proliferation activity.

(The original Executive Order was signed in 1994 and most recently renewed in November, 1997. The amendment of Section 4 of the Executive Order strengthens the original Executive Order in several significant ways:

1. It broadens the type of proliferation activity subject to potential penalties; contributions to nuclear weapons and missiles capable of delivering weapons of mass destruction have been added to the original EO's focus on assistance to chemical and biological weapons programs.
2. The amendment expands the original Executive Order to include "attempts" to contribute to foreign proliferation activities, as well as actual contributions.
3. The amendment expands the range of potential penalties to include explicitly the prohibition of USG assistance to the foreign persons/entities, as well as USG procurement and imports into the U.S., which was specified by the original Executive Order.

(This amendment provides the USG with the necessary flexibility and discretion

in deciding how and to what extent to impose penalties against foreign persons/entities that assist proliferation programs. This provision authorizes the Secretary of State to determine the extent to which to impose these measures.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 28, 1998

STATEMENT BY THE PRESIDENT

Expanding the President's Executive Order on
Weapons of Mass Destruction

Today, I am expanding existing Executive Order authority to enhance America's ability to deal with one of the toughest security challenges we face: the spread of weapons of mass destruction and missiles to deliver such weapons.

Two weeks ago, the Russian government announced it was investigating a number of Russian entities suspected of violating weapons of mass destruction export control provisions.

Today's Executive Order amendment will allow us to respond more effectively to evidence that foreign entities around the world, such as these Russian entities, have assisted in the transfer of dangerous weapons and weapons technologies. The United States will use the amended Executive Order, along with other existing authorities, to bar assistance to seven of the entities identified by Russia, as well as to bar exports to and imports from these entities.

The new Executive Order amends Executive Order 12938, issued in 1994, in key respects:

-- The amended E.O. addresses not only transfers of chemical and

biological
weapons, as provided in the original E.G., but also nuclear weapons
and missiles
capable of delivering weapons of mass destruction;

-- The amended E.O. imposes penalties not only where a transfer has
been carried
out, as provided in the original E.G., but also in the event of an
attempt to
transfer;

-- The amended E.O. expressly expands the range of potential
penalties on
entities that have contributed to proliferation. Penalties include
prohibition of
U.S. Government assistance to the entity and prohibition of imports
into the
U.S., or U.S. Government procurement, of goods, technology, and
services.

-- The amended E.O. ensures that our Government has the necessary
flexibility in
deciding when and to what extent to impose penalties. In the fight to
stem the
spread of dangerous weaponry, we must be resourceful and focus on
doing what
works. Being able to offer both incentives and disincentives enhances
our
capacity to deal with these threats. I will continue to work with
Congress to
ensure that America's policy provides tough penalties -- and also
sufficient
flexibility to give us the best chance to achieve positive results.

My Administration is working actively with our friends and allies
around the
world to prevent the proliferation of weapons of mass destruction. We
are
encouraged by recent commitments by Russia, by our European allies,
and others to
increase their efforts, and we will continue to press for even stronger
commitments.

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