

Exchange Mail

DATE-TIME 7/8/99 8:32:14 AM
FROM Tavlarides, Mark J. (LEGIS)
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: Background Paper for Jim on Sanctions Deputies Meeting Tomorrow
[UNCLASSIFIED]
TO Rudman, Mara E. (CNSLR)

CARBON_COPY

TEXT_BODY

Will make certain Miles and Dan are aware of the matter.

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

From: Rudman, Mara E. (CNSLR)
Sent: Thursday, July
08, 1999 8:31 AM
To: Tavlarides, Mark J. (LEGIS)
Subject: RE:
Background Paper for Jim on Sanctions Deputies Meeting Tomorrow
[UNCLASSIFIED]

Hey,
please highlight to Miles; I also sent him an email on it last night.
We should talk before the meeting; I'm not sure I can make it there
but want to make sure he can...

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

From: Tavlarides,
Mark J. (LEGIS)
Sent: Thursday, July 08, 1999 8:28 AM
To: Rudman,
Mara E. (CNSLR)
Subject: RE: Background Paper for Jim on Sanctions
Deputies Meeting Tomorrow [UNCLASSIFIED]

They all think they know
the Hill better than the leg. shop does.

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

From: Rudman,
Mara E. (CNSLR)
Sent: Thursday, July 08, 1999 8:25 AM
To: Schaefer,

Matthew P. (INTECON); Crocker, Bathsheba N.; @NSA - Natl Security Advisor

Cc: @INTECON - Economic Affairs; @LEGAL - Legal Advisor; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs

Subject: RE: Background Paper for Jim on Sanctions Deputies Meeting Tomorrow [UNCLASSIFIED]

I think it's worth noting that this paper is almost entirely about legislative strategy so the views of the legislative directorate are probably the most critical here. (No offense to others; just makes the "clearance" below a little misleading.)

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

From: Schaefer, Matthew P. (INTECON)

Sent: Wednesday, July 07, 1999 8:52 PM

To: Crocker, Bathsheba N.; @NSA - Natl Security Advisor

Cc: @INTECON - Economic Affairs; @LEGAL - Legal Advisor; @MULTILAT - Multilateral and Humanitarian

Affairs; @LEGISLAT - Legislative Affairs

Subject: FW: Background

Paper for Jim on Sanctions Deputies Meeting Tomorrow [UNCLASSIFIED]

Importance: High

Please
pass to Jim (cleared by intecon, multilat, and legal)

Note: Legis.
did not have the opportunity to review this document due to the fact the draft of this paper was finalized so late today. Many deputies will bring their leg. folks to the meeting, however.

Background
Paper for Tomorrow's Sanctions Deputies Meeting (Room 324 at 9:45 AM)

I. Review of Existing Sanctions Reform Bills

Sanctions
reform bills can be divided into two categories: general and agricultural. The deputies discussion will likely focus on the general sanctions reform bills. However, it will also be important to discuss the agricultural sanctions reform bills for two reasons: 1) our concerns over these bills (e.g. reducing Executive Branch flexibility) parallel

our concerns with the general sanctions reform bills; and 2) passage of an agricultural sanctions bill might take the steam out of the general sanctions reform effort.

General Sanctions Reform Bills

1. Lugar (S757) and its House Parallel Crane (HR 1244)

The Lugar bill with 37 co-sponsors is the main existing general sanctions reform bill. The Crane bill with 91 co-sponsors is the Lugar equivalent in the House with nearly identical provisions. An outline of the major provisions of Lugar-Crane follows below along with our views on the major provisions.

- * Lugar-Crane contains a conceptual definition of unilateral economic sanctions followed by an extensive list of measures that are included within that definition. (We find the list approach problematic because it invites groups to seek to exclude particular sanctions).

- * Lugar-Crane states that future unilateral economic sanctions bills "should" adhere to guidelines, including the following:

- * "sunset" after two years unless specifically re-authorized. (We disagree because encourages targets to wait out sanctions and undermines our arguments in UNSC against time-bound sanctions).

- * provide for contract sanctity (although Crane bill provides some minor exceptions). (We believe there should be an exception if the President finds it will reduce the effectiveness of sanctions).

- * not involve agriculture, food or medicine unless national security concerns or armed conflict. (We agreed that these items should generally be excluded absent compelling circumstances but do not think this provides enough flexibility and we would also be concerned how agricultural commodity is defined, i.e., does it go beyond what is food or what is "ingestible").

- * provide national interest waiver for President (We agree but again the language is "should" and therefore no requirement -i.e. no freestanding "national interest" waiver is provided).

- * Lugar-Crane requires that unilateral sanctions acts be treated as private sector mandate and require report of Congressional Budget Office. (We support this requirement).

- * Lugar-Crane

requires that future unilateral economic sanctions bills allow for public comment prior to committee consideration, that committee reports state whether the act complies with the guidelines, and the Lugar bill only further allows a point of order objection if committee report is not provided. (We believe that point of order provision is necessary in order to provide at least some constraints on the Congress realizing that later-in-time legislation always prevails).

* Lugar-Crane

requires ("shall") the President to follow nearly identical guidelines when imposing sanctions in the future. (We object to the lack of flexibility in many of the guidelines as noted above and believe that constraints on the President must also be phrased as "should" rather than "shall."

* Lugar-Crane contains numerous reporting

requirements on the Executive Branch, not only for our own sanctions but also for those being considered by the Congress. (We find these reporting requirements to be too onerous).

* Lugar-Crane requires

that the Executive Branch publish a notice in the federal register 45 days prior to imposing a sanction unless finds that the national interest would be jeopardized. (We object to advance notice provisions).

* Lugar-Crane

contains compensation provisions for the agricultural sectors - i.e. if agriculture is involved in the sanctions then this sector receives extra export assistance. (We have questioned this provision noting that it is not available for other sectors).

* Lugar-Crane requires

the Executive Branch to set up a sanctions review committee comprised of principals. (We are in all likelihood going to establish a sanctions interagency work group (IWG) on our own and would not like the Congress telling us to do so and at the principals level).

2. Dodd's Bills

(S1161 and S927)

Senator Dodd has introduced two bills. His general sanctions reform bill (S1161 with zero co-sponsors) is much more in line with the Administration's views (although not entirely our "non-fingerprinted" version that you will recall that Al Maldon delivered after obtaining interagency clearance). In particular, Dodd's bill contains the following features:

- * contains "point of order" and federal private sector mandate provisions.
- * excludes agricultural

commodities unless President finds the inclusion of such items in the "national interest." (although again we might have concerns depending on how agricultural commodity is defined, i.e. does it go beyond food or what is "ingestible.")

- * instead of a "sunset" provision, the bill calls for annual reviews of sanctions.

- * allows exception

for contract sanctity where President finds it would detract from effectiveness of the sanction.

- * only states that the "President should, through the issuance of Executive orders or other comparable means, adopt guidelines, comparable to" those the bill places on Congress.

- * provides "national interest" waiver authority to the President to suspend, terminate or not impose sanctions (with procedures for an expedited Congressional disapproval motion).

Dodd's other

bill (S927 co-sponsored by Hagel) provides for freestanding "important national interest" waiver authority for the President

3. Helms'

Forthcoming Bill

Sen. Helms will hold a SFRC hearing on July 15th focusing on existing sanctions reform bills. The bills' sponsors and possibly some academics will testify. Helms has indicated that he will subsequently come up with his own "consensus" bill.

Agricultural

Sanctions Reform Bills

Numerous bills have been introduced, including the following: Ewing HR 17 with 47 co-sponsors, Ashcroft S315 with 15 co-sponsors, Nethercutt HR 212 with 29 co-sponsors, Hagel S327 with 18 co-sponsors, Ashcroft S425 with 5 co-sponsors.

While we

support the goals of these bills, we have concerns over them as drafted because they limit Presidential flexibility (i.e. go beyond requiring a national interest finding to include such items in sanctions regimes) and some contain onerous reporting requirements. Stu also has concerns that passage of an agricultural sanctions bill would halt any momentum for sanctions reform generally (since the agricultural community would no longer be engaged).

II. Our Priorities, Features We

Will Accept, and Features We Want to Avoid

Deputies are likely

to largely agree on these matters -- most have been outlined or at least hinted at in Stu's testimony.

Priorities

Our single biggest priority is to obtain freestanding "national interest" waiver authority for all future sanctions legislation. (We would actually like such authority for existing sanctions legislation but realize that this is too difficult politically, e.g. visa provisions of Helms-Burton).

Features

We Will Accept

Stu has indicated that the Administration could agree (or at least is willing to consider subjecting itself to a requirement) to do a cost-benefit analysis (and share some type of report with Congress provided we maintain flexibility over the content and other features of the report). Stu has also indicated that the Administration could agree to conduct an annual review of sanctions, and depending on our review of the continued effectiveness of such measures, determine whether some of them should be modified or terminated. He has also noted that if Congress does not approve of the President's recommendation, it could enact a motion of disapproval.

Features

We Want to Avoid

The outcome we most want to avoid is legislation that places significant constraints on the Executive Branch and little or no constraints on the Congress. Since Congress can always pass later-in-time legislation that will prevail over restraints in sanctions reform legislation, we have always indicated that restraints on the Executive Branch should largely be hortatory ("should" rather than "shall") and that we would subject ourselves to similar guidelines as those adopted by the Congress.

In addition to one-sided constraints imposed on the Executive Branch, particular features in a sanctions reform bill that we would want to avoid include the following (many of them noted in the context of the Crane-Lugar analysis above):

- * advance notification requirements
- * burdensome reporting requirements
- * (near) automatic "sunset" of sanctions
- * contract sanctity in all instances without regard for effectiveness of sanctions

III. Strategy

Deputies

should make some sort of calculation of whether a sanctions reform bill is likely to come to a vote and the likelihood that we can achieve our priority (freestanding "national interest" waiver authority for all future sanctions legislation) in such a bill. These calculations will dictate which strategy to pursue.

Issues for Decision

1)

Do we engage the Congress?

Albright recently sent Gene and Sandy a memo, almost certainly drafted by Stu, stating "the time has come to engage the Hill in a serious way on sanctions reform legislation." Additionally, Stu has stated in testimony that "we hope to work with key Congressmen and Senators to craft an effective sanctions reform package in 1999." The number of bills (including the number of co-sponsors to several bills) indicates the great interest on the Hill. Thus, the major questions appear to be not whether we engage but whom, how, and what do we seek.

2) Whom do we engage?

Helms

has indicated that he will come up with his own bill after the July 15th hearing and indicated that we should not deal with Lugar. Stu has dealt quite closely with Lugar throughout the process, however, and many are leery of what sort of bill Helms will introduce.

3)

How do we engage?

Some might propose forwarding actual language to relevant players (such as was suggested in Albright's memo to Sperling and Berger). There may be differences in how much actual language to provide (e.g., "national interest" waiver language or a total bill). Others may want to engage less formally until Helms' intentions become clearer.

4) What do we seek?

We may be willing

to work on correcting current bills if they will include freestanding "national interest" waiver authority for the President. However, if the deputies determine that obtaining such waiver authority is unrealistic, then we may wish to seek only a "hortatory" bill or simply issue an EO or some other form of guidelines and simply fight

any Executive Branch limits in legislation.

Multilateral view:

As we have argued before, we believe that Stu's extensive engagement on the Hill will help create momentum for legislation that will not serve the Administration's interests. If we need to demonstrate our bonafides here, we ought to issue an EO and welcome any congressional efforts to impose guidelines on congressional behavior, but fight any congressional attempts to limit what we can do.

Intecon view:

We share the concern over avoiding "bad legislation" with one-sided constraints on the Executive Branch. However, if a bill is going to move, then it may very well be counter-productive to our interests not to engage the Congress. Furthermore, we need to explore further in the deputies meeting the likelihood of being able to achieve our priority -- a freestanding "national interest" waiver authority -- prior to determining our strategy. Lastly, we believe most of the momentum for a bill is coming from the Hill itself and the business community, not from Stu's efforts (which are much more cautious than those emanating from the Hill).

Exchange Mail

DATE-TIME 7/8/99 9:12:45 AM

FROM Schaefer, Matthew P. (INTECON)

CLASSIFICATION UNCLASSIFIED

SUBJECT RE: Background Paper for Jim on Sanctions Deputies Meeting Tomorrow
[UNCLASSIFIED]

TO Rudman, Mara E. (CNSLR)
Crocker, Bathsheba N.
Crocker, Bathsheba N.
Davies, Glyn T. (EXSEC)
Dejban, Donna D. (NSA)
Hachigian, Nina L. (NSA)
Kerrick, Donald L. (NSA)
Millison, Cathy L. (EXSEC)
Mitchell, Rebecca (Julie) J. (NSA)
Moretz, Sheila K. (NSA)
Rudman, Mara E. (CNSLR)
Sargeant, Stephen T. (EXSEC)
Scott-Perez, Marilyn L. (NSA)
Storey, Sharon V. (NSA)
Sutphen, Mona K. (NSA)

CARBON_COPY Duncan, John D.
Hammonds, D. Holly (INTECON)
Hendricks, Lori A. (INTECON)
Holtzapple, Richard A.
Lee, Malcolm R.
McNamer, Bruce
Mitsler, Elaine M. (INTECON)
Schaefer, Matthew P. (INTECON)
Shah, Sonal R.
Allen, Charles A. (LEGAL)
Baker, James E. (LEGAL)
DeRosa, Mary B. (LEGAL)
Hunerwadel, Joan S. (LEGAL)
Krass, Caroline D. (LEGAL)
Russ, Judith P. (ADMIN)
Williams, Mary C. (ADMIN)
Bernard, Kenneth W. (HEALTH)
Busby, Scott W. (MULTI)
Guarnieri, Valerie N. (MULTILAT)
Hill, Roseanne M. (MULTI)
Jones, Brian E. (MULTI/INTERN)
Kale, Dora A. (MULTI)

Keenan, Josefine (Chris) (HEALTH)
 Malley, Robert (NESA)
 Naplan, Steven J. (MULTI)
 Schwartz, Eric P. (MULTI)
 Stromseth, Jane E. (MULTI)
 Vaccaro, Jonathan M. (Matt) (MULTI)
 Burrell, Christina L. (LEGIS)
 Lackey, Miles M. (LEGIS)
 Shapiro, Daniel B. (LEGIS)
 Tavlarides, Mark J. (LEGIS)
 Williams, Mary C. (ADMIN)

TEXT_BODY

Agenda for deps (and memo below) covers three items: review of existing bills, substantive priorities, and legislative strategy -- completely and totally agree that on point three (legislative strategy) legis. views are critical. Spoke with Miles last night -- he understood in terms of timing that memo needed to go forward (since meeting is at 9:45 this morning) but I suggested and he agreed that we would place the note below the clearances. Also left voice mail with Sheba last night to highlight fact we had not recieved input from legis. on point three (and that we thought such input was very important) and that many deputies would be bringing legislative staff to the meeting. Hope this helps clarify matters a bit.

-----Original

Message-----

From: Rudman, Mara E. (CNSLR)

Sent: Thursday, July

08, 1999 8:25 AM

To: Schaefer, Matthew P. (INTECON); Crocker, Bathsheba

N.; @NSA - Natl Security Advisor

Cc: @INTECON - Economic Affairs;

@LEGAL - Legal Advisor; @MULTILAT - Multilateral and Humanitarian

Affairs; @LEGISLAT - Legislative Affairs

Subject: RE: Background

Paper for Jim on Sanctions Deputies Meeting Tomorrow [UNCLASSIFIED]

I

think it's worth noting that this paper is almost entirely about legislative strategy so the views of the legislative directorate are probably the most critical here. (No offense to others; just makes the "clearance" below a little misleading.)

-----Original

Message-----

From: Schaefer, Matthew P. (INTECON)

Sent: Wednesday,

July 07, 1999 8:52 PM

To: Crocker, Bathsheba N.; @NSA - Natl Security
 Advisor

Cc: @INTECON - Economic Affairs; @LEGAL - Legal Advisor;
@MULTILAT - Multilateral and Humanitarian Affairs; @LEGISLAT -
Legislative
Affairs
Subject: FW: Background Paper for Jim on Sanctions Deputies
Meeting Tomorrow [UNCLASSIFIED]
Importance: High

Please pass
to Jim (cleared by intecon, multilat, and legal)

Note: Legis.
did not have the opportunity to review this document due to the fact
the draft of this paper was finalized so late today. Many deputies
will bring their leg. folks to the meeting, however.

Background
Paper for Tomorrow's Sanctions Deputies Meeting (Room 324 at 9:45
AM)

I. Review of Existing Sanctions Reform Bills

Sanctions
reform bills can be divided into two categories: general and agricultural.
The deputies discussion will likely focus on the general sanctions
reform bills. However, it will also be important to discuss the
agricultural sanctions reform bills for two reasons: 1) our concerns
over these bills (e.g. reducing Executive Branch flexibility) parallel
our concerns with the general sanctions reform bills; and 2) passage
of an agricultural sanctions bill might take the steam out of the
general sanctions reform effort.

General Sanctions Reform Bills

1.
Lugar (S757) and its House Parallel Crane (HR 1244)

The Lugar
bill with 37 co-sponsors is the main existing general sanctions reform
bill. The Crane bill with 91 co-sponsors is the Lugar equivalent
in the House with nearly identical provisions. An outline of the
major provisions of Lugar-Crane follows below along with our views
on the major provisions.

* Lugar-Crane contains a conceptual definition
of unilateral economic sanctions followed by an extensive list of
measures that are included within that definition. (We find the
list approach problematic because it invites groups to seek to exclude
particular sanctions).

* Lugar-Crane states that future unilateral economic sanctions bills "should" adhere to guidelines, including the following:

* "sunset" after two years unless specifically re-authorized. (We disagree because encourages targets to wait out sanctions and undermines our arguments in UNSC against time-bound sanctions).

* provide for contract sanctity (although Crane bill provides some minor exceptions). (We believe there should be an exception if the President finds it will reduce the effectiveness of sanctions).

* not involve agriculture, food or medicine unless national security concerns or armed conflict. (We agreed that these items should generally be excluded absent compelling circumstances but do not think this provides enough flexibility and we would also be concerned how agricultural commodity is defined, i.e., does it go beyond what is food or what is "ingestible").

* provide national interest waiver for President (We agree but again the language is "should" and therefore no requirement -i.e. no freestanding "national interest" waiver is provided).

* Lugar-Crane requires that unilateral sanctions acts be treated as private sector mandate and require report of Congressional Budget Office. (We support this requirement).

* Lugar-Crane requires that future unilateral economic sanctions bills allow for public comment prior to committee consideration, that committee reports state whether the act complies with the guidelines, and the Lugar bill only further allows a point of order objection if committee report is not provided. (We believe that point of order provision is necessary in order to provide at least some constraints on the Congress realizing that later-in-time legislation always prevails).

* Lugar-Crane requires ("shall") the President to follow nearly identical guidelines when imposing sanctions in the future. (We object to the lack of flexibility in many of the guidelines as noted above and believe that constraints on the President must also be phrased as "should" rather than "shall."

* Lugar-Crane contains numerous reporting requirements on the Executive Branch, not only for our own sanctions but also for those being considered by the Congress. (We find these reporting requirements to be too onerous).

* Lugar-Crane requires

that the Executive Branch publish a notice in the federal register 45 days prior to imposing a sanction unless finds that the national interest would be jeopardized. (We object to advance notice provisions).

* Lugar-Crane

contains compensation provisions for the agricultural sectors - i.e. if agriculture is involved in the sanctions then this sector receives extra export assistance. (We have questioned this provision noting that it is not available for other sectors).

* Lugar-Crane requires

the Executive Branch to set up a sanctions review committee comprised of principals. (We are in all likelihood going to establish a sanctions interagency work group (IWG) on our own and would not like the Congress telling us to do so and at the principals level).

2. Dodd's Bills

(S1161 and S927)

Senator Dodd has introduced two bills. His general sanctions reform bill (S1161 with zero co-sponsors) is much more in line with the Administration's views (although not entirely our "non-fingerprinted" version that you will recall that Al Maldon delivered after obtaining interagency clearance). In particular, Dodd's bill contains the following features:

* contains "point of order" and

federal private sector mandate provisions.

* excludes agricultural

commodities unless President finds the inclusion of such items in the "national interest." (although again we might have concerns depending on how agricultural commodity is defined, i.e. does it go beyond food or what is "ingestible.")

* instead of a "sunset" provision,

the bill calls for annual reviews of sanctions.

* allows exception

for contract sanctity where President finds it would detract from effectiveness of the sanction.

* only states that the "President

should, through the issuance of Executive orders or other comparable means, adopt guidelines, comparable to" those the bill places on Congress.

* provides "national interest" waiver authority to the

President to suspend, terminate or not impose sanctions (with procedures for an expedited Congressional disapproval motion).

Dodd's other

bill (S927 co-sponsored by Hagel) provides for freestanding "important national interest" waiver authority for the President

3. Helms' Forthcoming Bill

Sen. Helms will hold a SFRC hearing on July 15th focusing on existing sanctions reform bills. The bills' sponsors and possibly some academics will testify. Helms has indicated that he will subsequently come up with his own "consensus" bill.

Agricultural Sanctions Reform Bills

Numerous bills have been introduced, including the following: Ewing HR 17 with 47 co-sponsors, Ashcroft S315 with 15 co-sponsors, Nethercutt HR 212 with 29 co-sponsors, Hagel S327 with 18 co-sponsors, Ashcroft S425 with 5 co-sponsors.

While we support the goals of these bills, we have concerns over them as drafted because they limit Presidential flexibility (i.e. go beyond requiring a national interest finding to include such items in sanctions regimes) and some contain onerous reporting requirements. Stu also has concerns that passage of an agricultural sanctions bill would halt any momentum for sanctions reform generally (since the agricultural community would no longer be engaged).

II. Our Priorities, Features We Will Accept, and Features We Want to Avoid

Deputies are likely to largely agree on these matters -- most have been outlined or at least hinted at in Stu's testimony.

Priorities

Our single biggest priority is to obtain freestanding "national interest" waiver authority for all future sanctions legislation. (We would actually like such authority for existing sanctions legislation but realize that this is too difficult politically, e.g. visa provisions of Helms-Burton).

Features We Will Accept

Stu has indicated that the Administration could agree (or at least is willing to consider subjecting itself to a requirement) to do a cost-benefit analysis (and share some type of report with Congress provided we maintain flexibility over the content and other features of the report). Stu has also indicated that the Administration could agree to conduct an annual review of sanctions, and depending on our review of the continued effectiveness of such

measures, determine whether some of them should be modified or terminated. He has also noted that if Congress does not approve of the President's recommendation, it could enact a motion of disapproval.

Features

We Want to Avoid

The outcome we most want to avoid is legislation that places significant constraints on the Executive Branch and little or no constraints on the Congress. Since Congress can always pass later-in-time legislation that will prevail over restraints in sanctions reform legislation, we have always indicated that restraints on the Executive Branch should largely be hortatory ("should" rather than "shall") and that we would subject ourselves to similar guidelines as those adopted by the Congress.

In addition to one-sided constraints imposed on the Executive Branch, particular features in a sanctions reform bill that we would want to avoid include the following (many of them noted in the context of the Crane-Lugar analysis above):

- * advance notification requirements
- * burdensome reporting requirements
- * (near) automatic "sunset" of sanctions
- * contract sanctity in all instances
- without regard for effectiveness of sanctions

III. Strategy

Deputies

should make some sort of calculation of whether a sanctions reform bill is likely to come to a vote and the likelihood that we can achieve our priority (freestanding "national interest" waiver authority for all future sanctions legislation) in such a bill. These calculations will dictate which strategy to pursue.

Issues for Decision

- 1)
Do we engage the Congress?

Albright recently sent Gene and Sandy a memo, almost certainly drafted by Stu, stating "the time has come to engage the Hill in a serious way on sanctions reform legislation." Additionally, Stu has stated in testimony that "we hope to work with key Congressmen and Senators to craft an effective sanctions reform package in 1999." The number of bills (including the number of co-sponsors to several bills) indicates the great interest on

the Hill. Thus, the major questions appear to be not whether we engage but whom, how, and what do we seek.

2) Whom do we engage?

Helms

has indicated that he will come up with his own bill after the July 15th hearing and indicated that we should not deal with Lugar. Stu has dealt quite closely with Lugar throughout the process, however, and many are leery of what sort of bill Helms will introduce.

3)

How do we engage?

Some might propose forwarding actual language to relevant players (such as was suggested in Albright's memo to Sperling and Berger). There may be differences in how much actual language to provide (e.g., "national interest" waiver language or a total bill). Others may want to engage less formally until Helms' intentions become clearer.

4) What do we seek?

We may be willing

to work on correcting current bills if they will include freestanding "national interest" waiver authority for the President. However, if the deputies determine that obtaining such waiver authority is unrealistic, then we may wish to seek only a "hortatory" bill or simply issue an EO or some other form of guidelines and simply fight any Executive Branch limits in legislation.

Multilateral view:

As we have argued before, we believe that Stu's extensive engagement on the Hill will help create momentum for legislation that will not serve the Administration's interests. If we need to demonstrate our bonafides here, we ought to issue an EO and welcome any congressional efforts to impose guidelines on congressional behavior, but fight any congressional attempts to limit what we can do.

Intecon view:

We share the concern over avoiding "bad legislation" with one-sided constraints on the Executive Branch. However, if a bill is going to move, then it may very well be counter-productive to our interests not to engage the Congress. Furthermore, we need to explore further in the deputies meeting the likelihood of being able to achieve our priority -- a freestanding "national interest" waiver authority -- prior to determining our strategy. Lastly, we believe most of the momentum for a bill is coming from the Hill itself and the business community, not from Stu's efforts (which are much more cautious than those emanating from the Hill).

Exchange Mail

DATE-TIME 7/8/99 11:39:29 AM
FROM Hammonds, D. Holly (INTECON)
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: Background Paper for Jim on Sanctions Deputies Meeting Tomorrow
[UNCLASSIFIED]
TO Rudman, Mara E. (CNSLR)

CARBON_COPY**TEXT_BODY**

Mara: You are right of course....although please note that Miles has not had a lot of time for this one.

Would like to discuss
sanctions in general further with you -- perhaps when we meet later...

We
defer on hill strategy and are very sensitive to other political/moral/defense issues at play -- but want to be sure you do appreciate fully that sanctions reform is a VERY high priority with US business/financial community - and I believe legitimately so. US use of sanctions is also a major irritant with key (and not so key) trading partners. As a result the NSC econ team considers a rational sanctions policy to be among our highest economic and security priorities. In addition to the trade/econ substance, there are very important strategic (and political) issues involving how to manage the business constituency (much better than in the past).

In short let's discuss as possible.
Cheers.

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

From: Rudman, Mara E.
(CNSLR)
Sent: Thursday, July 08, 1999 8:25 AM
To: Schaefer, Matthew
P. (INTECON); Crocker, Bathsheba N.; @NSA - Natl Security Advisor
Cc: @INTECON
- Economic Affairs; @LEGAL - Legal Advisor; @MULTILAT - Multilateral and Humanitarian Affairs; @LEGISLAT - Legislative Affairs
Subject: RE:
Background Paper for Jim on Sanctions Deputies Meeting Tomorrow
[UNCLASSIFIED]

I think it's worth noting that this paper is almost entirely about legislative strategy so the views of the legislative directorate are probably the most critical here. (No offense to others; just makes the "clearance" below a little misleading.)

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

From: Schaefer, Matthew P. (INTECON)
Sent: Wednesday,
July 07, 1999 8:52 PM
To: Crocker, Bathsheba N.; @NSA - Natl Security
Advisor
Cc: @INTECON - Economic Affairs; @LEGAL - Legal Advisor;
@MULTILAT - Multilateral and Humanitarian Affairs; @LEGISLAT -
Legislative
Affairs
Subject: FW: Background Paper for Jim on Sanctions Deputies
Meeting Tomorrow [UNCLASSIFIED]
Importance: High

Please pass
to Jim (cleared by intecon, multilat, and legal)

Note: Legis.
did not have the opportunity to review this document due to the fact
the draft of this paper was finalized so late today. Many deputies
will bring their leg. folks to the meeting, however.

Background
Paper for Tomorrow's Sanctions Deputies Meeting (Room 324 at 9:45
AM)

I. Review of Existing Sanctions Reform Bills

Sanctions
reform bills can be divided into two categories: general and agricultural.
The deputies discussion will likely focus on the general sanctions
reform bills. However, it will also be important to discuss the
agricultural sanctions reform bills for two reasons: 1) our concerns
over these bills (e.g. reducing Executive Branch flexibility) parallel
our concerns with the general sanctions reform bills; and 2) passage
of an agricultural sanctions bill might take the steam out of the
general sanctions reform effort.

General Sanctions Reform Bills

1.
Lugar (S757) and its House Parallel Crane (HR 1244)

The Lugar bill with 37 co-sponsors is the main existing general sanctions reform bill. The Crane bill with 91 co-sponsors is the Lugar equivalent in the House with nearly identical provisions. An outline of the major provisions of Lugar-Crane follows below along with our views on the major provisions.

- * Lugar-Crane contains a conceptual definition of unilateral economic sanctions followed by an extensive list of measures that are included within that definition. (We find the list approach problematic because it invites groups to seek to exclude particular sanctions).

- * Lugar-Crane states that future unilateral economic sanctions bills "should" adhere to guidelines, including the following:

- * "sunset" after two years unless specifically re-authorized. (We disagree because encourages targets to wait out sanctions and undermines our arguments in UNSC against time-bound sanctions).

- * provide for contract sanctity (although Crane bill provides some minor exceptions). (We believe there should be an exception if the President finds it will reduce the effectiveness of sanctions).

- * not involve agriculture, food or medicine unless national security concerns or armed conflict. (We agreed that these items should generally be excluded absent compelling circumstances but do not think this provides enough flexibility and we would also be concerned how agricultural commodity is defined, i.e., does it go beyond what is food or what is "ingestible").

- * provide national interest waiver for President (We agree but again the language is "should" and therefore no requirement -i.e. no freestanding "national interest" waiver is provided).

- * Lugar-Crane requires that unilateral sanctions acts be treated as private sector mandate and require report of Congressional Budget Office. (We support this requirement).

- * Lugar-Crane requires that future unilateral economic sanctions bills allow for public comment prior to committee consideration, that committee reports state whether the act complies with the guidelines, and the Lugar bill only further allows a point of order objection if committee report is not provided. (We believe that point of order provision is necessary in order to provide at least some constraints on the Congress realizing that later-in-time legislation always prevails).

- * Lugar-Crane requires ("shall") the President to follow nearly identical guidelines when imposing sanctions in the future. (We object to the lack of flexibility in many of the guidelines as noted above and believe that constraints on the President must also be phrased as "should" rather than "shall.")
- * Lugar-Crane contains numerous reporting requirements on the Executive Branch, not only for our own sanctions but also for those being considered by the Congress. (We find these reporting requirements to be too onerous).
- * Lugar-Crane requires that the Executive Branch publish a notice in the federal register 45 days prior to imposing a sanction unless finds that the national interest would be jeopardized. (We object to advance notice provisions).
- * Lugar-Crane contains compensation provisions for the agricultural sectors - i.e. if agriculture is involved in the sanctions then this sector receives extra export assistance. (We have questioned this provision noting that it is not available for other sectors).
- * Lugar-Crane requires the Executive Branch to set up a sanctions review committee comprised of principals. (We are in all likelihood going to establish a sanctions interagency work group (IWG) on our own and would not like the Congress telling us to do so and at the principals level).

2. Dodd's Bills (S1161 and S927)

Senator Dodd has introduced two bills. His general sanctions reform bill (S1161 with zero co-sponsors) is much more in line with the Administration's views (although not entirely our "non-fingerprinted" version that you will recall that Al Maldon delivered after obtaining interagency clearance). In particular, Dodd's bill contains the following features:

- * contains "point of order" and federal private sector mandate provisions.
- * excludes agricultural commodities unless President finds the inclusion of such items in the "national interest." (although again we might have concerns depending on how agricultural commodity is defined, i.e. does it go beyond food or what is "ingestible.")
- * instead of a "sunset" provision, the bill calls for annual reviews of sanctions.
- * allows exception for contract sanctity where President finds it would detract from

effectiveness of the sanction.

* only states that the "President should, through the issuance of Executive orders or other comparable means, adopt guidelines, comparable to" those the bill places on Congress.

* provides "national interest" waiver authority to the President to suspend, terminate or not impose sanctions (with procedures for an expedited Congressional disapproval motion).

Dodd's other

bill (S927 co-sponsored by Hagel) provides for freestanding "important national interest" waiver authority for the President

3. Helms'

Forthcoming Bill

Sen. Helms will hold a SFRC hearing on July 15th focusing on existing sanctions reform bills. The bills' sponsors and possibly some academics will testify. Helms has indicated that he will subsequently come up with his own "consensus" bill.

Agricultural

Sanctions Reform Bills

Numerous bills have been introduced, including the following: Ewing HR 17 with 47 co-sponsors, Ashcroft S315 with 15 co-sponsors, Nethercutt HR 212 with 29 co-sponsors, Hagel S327 with 18 co-sponsors, Ashcroft S425 with 5 co-sponsors.

While we

support the goals of these bills, we have concerns over them as drafted because they limit Presidential flexibility (i.e. go beyond requiring a national interest finding to include such items in sanctions regimes) and some contain onerous reporting requirements. Stu also has concerns that passage of an agricultural sanctions bill would halt any momentum for sanctions reform generally (since the agricultural community would no longer be engaged).

II. Our Priorities, Features We

Will Accept, and Features We Want to Avoid

Deputies are likely

to largely agree on these matters -- most have been outlined or at least hinted at in Stu's testimony.

Priorities

Our single biggest

priority is to obtain freestanding "national interest" waiver authority for all future sanctions legislation. (We would actually like such

authority for existing sanctions legislation but realize that this is too difficult politically, e.g. visa provisions of Helms-Burton).

Features

We Will Accept

Stu has indicated that the Administration could agree (or at least is willing to consider subjecting itself to a requirement) to do a cost-benefit analysis (and share some type of report with Congress provided we maintain flexibility over the content and other features of the report). Stu has also indicated that the Administration could agree to conduct an annual review of sanctions, and depending on our review of the continued effectiveness of such measures, determine whether some of them should be modified or terminated. He has also noted that if Congress does not approve of the President's recommendation, it could enact a motion of disapproval.

Features

We Want to Avoid

The outcome we most want to avoid is legislation that places significant constraints on the Executive Branch and little or no constraints on the Congress. Since Congress can always pass later-in-time legislation that will prevail over restraints in sanctions reform legislation, we have always indicated that restraints on the Executive Branch should largely be hortatory ("should" rather than "shall") and that we would subject ourselves to similar guidelines as those adopted by the Congress.

In addition to one-sided constraints imposed on the Executive Branch, particular features in a sanctions reform bill that we would want to avoid include the following (many of them noted in the context of the Crane-Lugar analysis above):

- * advance notification requirements
- * burdensome reporting requirements
- * (near) automatic "sunset" of sanctions
- * contract sanctity in all instances without regard for effectiveness of sanctions

III. Strategy

Deputies

should make some sort of calculation of whether a sanctions reform bill is likely to come to a vote and the likelihood that we can achieve our priority (freestanding "national interest" waiver authority for all future sanctions legislation) in such a bill. These calculations will dictate which strategy to pursue.

Issues for Decision

1)

Do we engage the Congress?

Albright recently sent Gene and Sandy a memo, almost certainly drafted by Stu, stating "the time has come to engage the Hill in a serious way on sanctions reform legislation." Additionally, Stu has stated in testimony that "we hope to work with key Congressmen and Senators to craft an effective sanctions reform package in 1999." The number of bills (including the number of co-sponsors to several bills) indicates the great interest on the Hill. Thus, the major questions appear to be not whether we engage but whom, how, and what do we seek.

2) Whom do we engage?

Helms

has indicated that he will come up with his own bill after the July 15th hearing and indicated that we should not deal with Lugar. Stu has dealt quite closely with Lugar throughout the process, however, and many are leery of what sort of bill Helms will introduce.

3)

How do we engage?

Some might propose forwarding actual language to relevant players (such as was suggested in Albright's memo to Sperling and Berger). There may be differences in how much actual language to provide (e.g., "national interest" waiver language or a total bill). Others may want to engage less formally until Helms' intentions become clearer.

4) What do we seek?

We may be willing

to work on correcting current bills if they will include freestanding "national interest" waiver authority for the President. However, if the deputies determine that obtaining such waiver authority is unrealistic, then we may wish to seek only a "hortatory" bill or simply issue an EO or some other form of guidelines and simply fight any Executive Branch limits in legislation.

Multilateral view:

As we have argued before, we believe that Stu's extensive engagement on the Hill will help create momentum for legislation that will not serve the Administration's interests. If we need to demonstrate our bonafides here, we ought to issue an EO and welcome any congressional efforts to impose guidelines on congressional behavior, but fight

any congressional attempts to limit what we can do.

Intecon view:

We share the concern over avoiding "bad legislation" with one-sided constraints on the Executive Branch. However, if a bill is going to move, then it may very well be counter-productive to our interests not to engage the Congress. Furthermore, we need to explore further in the deputies meeting the likelihood of being able to achieve our priority -- a freestanding "national interest" waiver authority -- prior to determining our strategy. Lastly, we believe most of the momentum for a bill is coming from the Hill itself and the business community, not from Stu's efforts (which are much more cautious than those emanating from the Hill).

Exchange Mail

DATE-TIME 7/8/99 1:38:59 PM
FROM Osius, Theodore G. (VP)
CLASSIFICATION UNCLASSIFIED
SUBJECT For your clearance [UNCLASSIFIED]
TO Schaefer, Matthew P. (INTECON)
Hammonds, D. Holly (INTECON)

CARBON_COPY
TEXT_BODY Thanks, Ted

TRANSLATED_ATTACHMENT sanctions nec dc july 8.doc
UNCLASSIFIED

July 8, 1999

MEMORANDUM FOR LEON FUERTH

THROUGH: Rick Saunders

FROM: Ted Osius

SUBJECT: NEC Deputies Meeting on Sanctions, July 8, 1999

Substance of the meeting

Stu Eizenstat briefed the group on current Hill dynamics regarding sanctions legislation. Business and especially agricultural interests are keen to see progress on sanctions reform. Senator Lugar's bill has 34 cosponsors, while a companion bill in the House has more than 100 cosponsors. On July 1, Senator Helms conducted a hearing on sanctions reform, and signaled to the Administration

that he intends to play a leading role in shaping the legislation. On July 15, Helms will ask for testimony by the major sponsors of sanctions-related legislation, followed by a hearing involving business groups.

Lugar's bill poses problems for the Administration because it includes complicated procedural hurdles and omits stand-alone national security waiver authority. Senator Dodd's bill, which for the most part reflects the Administration's position, includes a provision making it retroactive. This may have been included for tactical purposes, and can probably be removed, according to State.

Results of the meeting are as follows:

- 1) State will prepare a draft Administration position on Dodd's bill (S1161) to be circulated for interagency clearance;
- 2) Stu will pass along our national security waiver authority language to Helms and Lugar;
- 3) Stu will generally engage with Hill but we will not get into "fallback" positions until we are sure we will get something out of this process.

On a related matter (implementation of our food and medicine sanctions policy change):

Stu will call Treasury-OFAC to try to speed along publication of the regulations prior to the end of the month.

As a reminder, below are alternate standards for sanctions waiver:

- * Vital to the national security interest (strongest, narrowest)
- * Essential to the national security interest Gore legislation
- * Important to the national security interest
- * Essential to the national interest McCain legislation
- * Important to the national interest (broadest, most general)

Exchange Mail

DATE-TIME 7/14/99 7:06:30 PM
FROM Hammonds, D. Holly (INTECON)
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: Sanctions Deputies Readout [UNCLASSIFIED]
TO Schaefer, Matthew P. (INTECON)
CARBON_COPY
TEXT_BODY Looks fine...See tweeks at end and one question tracked.

-----Original
Message-----
From: Schaefer, Matthew P. (INTECON)
Sent: Wednesday,
July 14, 1999 3:06 PM
To: Hammonds, D. Holly (INTECON)
Cc: Duncan,
John D. (INTECON)
Subject: Sanctions Deputies Readout [UNCLASSIFIED]

For
review/clearance.

TRANSLATED_ATTACHMENT Sanctions deputies read-out July 8th.doc
MEMORANDUM

TO: Gene Sperling

CC: Lael Brainard

FR: Holly Hammonds
Matt Schaefer

RE: Sanctions Reform Deputies Meeting -- July 8th

DT: July 13, 1999

I. Review of Existing Sanctions Reform Bills

Stu Eizenstat gave an overview of sanctions reform efforts/bills on the

Hill.

This is the number two issue for the business community (behind China/WTO) and high on agricultural communities list as well - they are driving the process.

General Sanctions Reform Bills

1. Lugar (S757) and its House Parallel Crane (HR 1244)

The Lugar bill with 37 co-sponsors is the main existing general sanctions reform bill. The Crane bill with 91 co-sponsors is the Lugar equivalent in the House with nearly identical provisions. An outline of the major provisions of Lugar-Crane follows below along with our views on the major provisions. The Lugar and Crane bills do not give President free-standing "national interest waiver" authority and more generally do not provide enough flexibility for Executive Branch (e.g., contains near automatic "sunset" provisions, require that contract sanctity be respected in almost every case, contains burdensome reporting requirements, etc.).

2. Dodd's Bills (S1161 and S927)

Senator Dodd has introduced two bills. His general sanctions reform bill (S1161 with zero co-sponsors) is much more in line with the Administration's views (although not entirely our "non-fingerprinted" version that you will recall that Al Maldon delivered after obtaining interagency clearance). In particular, Dodd's bill contains the following features:

- * excludes agricultural commodities unless President finds the inclusion of such items in the "national interest."
- * instead of a "sunset" provision, the bill calls for annual reviews of sanctions.
- * allows exception for contract sanctity where President finds it would detract from effectiveness of the sanction.
- * only states that the "President should, through the issuance of Executive orders or other comparable means, adopt guidelines, comparable to"

those the bill
places on Congress.

* provides "national interest" waiver authority to the President to suspend, terminate or not impose sanctions (with procedures for an expedited Congressional disapproval motion).

Dodd's other bill (S927 co-sponsored by Hagel) provides for freestanding "important national interest" waiver authority for the President

3. Helms' Forthcoming Bill

Sen. Helms will hold a SFRC hearing on July 21st focusing on existing sanctions reform bills. The bills' sponsors and possibly some academics will testify.

Helms has indicated that he will subsequently come up with his own "consensus" bill.

Agricultural Sanctions Reform Bills

Numerous bills have been introduced, including the following: Ewing bill HR 17 with 47 co-sponsors, Ashcroft S315 with 15 co-sponsors, Nethercutt HR 212 with 29 co-sponsors, Hagel S327 with 18 co-sponsors, Ashcroft S425 with 5 co-sponsors.

While we support the goals of these bills, we have concerns over them as drafted because limit Presidential flexibility (i.e. go beyond requiring a national interest finding to include such items in sanctions regimes) and some contain onerous reporting requirements. Stu also has concerns that passage of an agricultural sanctions bill would halt any momentum for sanctions reform generally (since the agricultural community would no longer be engaged).

II. Our Priorities, Features We Will Accept, and Features We Want to Avoid

Priorities

Deputies agreed that our single biggest priority is to obtain

freestanding
"national interest" waiver authority for all future sanctions legislation.
(We
would actually like such authority for existing sanctions legislation
but realize
that this is too difficult politically, e.g. visa provisions of Helms-
Burton. The
Dodd bill actually is retroactive - deputies agreed not to oppose but
again we
realize that actually obtaining such authority retroactively is not
politically
feasible at the end of the day).

Features We Will Accept

Deputies agreed that the Administration could agree (or at least is
willing to
consider subjecting itself to a requirement) to do a cost-benefit
analysis (and
share some type of report with Congress provided we maintain
flexibility over the
content and other features of the report). Deputies also agreed that the
Administration could agree to conduct an annual review of sanctions,
and
depending on our review of the continued effectiveness of such
measures,
determine whether some of them should be modified or terminated. If
Congress
does not approve of the President's recommendation, it could enact a
motion of
disapproval. Deputies also indicated that at the end of the day (in a
good
package) we could go a step further and have a 3-5 year sunset
provision with the
possibility for the Administration to extend the sanctions annually
thereafter.

Features We Want to Avoid

Deputies agreed that the outcome we most want to avoid is legislation
that places
significant constraints on the Executive Branch and little or no
constraints on
the Congress. Since Congress can always pass later-in-time legislation
that will
prevail over restraints in sanctions reform legislation, we have always
indicated
that restraints on the Executive Branch should largely be hortatory
("should"
rather than "shall") and that we would subject ourselves to similar

guidelines as
those adopted by the Congress.

In addition to one-sided constraints imposed on the Executive Branch,
particular
features in a sanctions reform bill that we would want to avoid include
the
following (many of them noted in the above in the context of Crane
and Lugar
bills):

- * advance notification requirements
- * burdensome reporting requirements
- * (near) automatic "sunset" of sanctions
- * contract sanctity in all instances without regard for effectiveness of sanctions

However, Treasury (Geithner) was more willing to be subjected to
procedural
constraints since they made sense as a policy matter, while NSC
(Steinberg)
expressed concern over agreeing to anything if we did not get
something in return
(e.g., national interest waiver authority).

III. Deputies Strategy & Tasking Decisions

* State is preparing a draft Administration statement on the Dodd bill
(S1161)
(which is largely are non-fingerprinted bill that already went through
interagency clearance) for circulation through the interagency process
this week
(week of July 12th) .

* Deputies agreed to allow Stu to share national interest waiver
language with
both Helms and Lugar (Stu did so this past Monday July 12th).

* Deputies agreed that Stu should engage the Hill but not offer any
"fallback"
positions yet pending further information on where process is headed
and what we
will get out of it.

(Stu did meet with Helms at the end of last week and had a
"surprisingly
positive" meeting. Per Stu,, Helms realizes there is to much
Republican interest
on his committee for him to hope the initiative will go away. Helms
would also

prefer a purely hortatory bill but realizes this might not satisfy other Republicans on his committee and thus he may need to go further).

* Stu and Gus Schumacher agreed to set up meetings with the business community (USA engage) and agricultural community to explain our position on sanctions reform - it is likely that they can support our position on national interest waiver authority.

* With respect to implementation of the Administrations food and medicine sanctions policy change, Stu agreed to call Treasury to speed up the process of finalizing the regs (i.e. have the regs drafted and cleared within ten days) and Geithner agreed to reinforce this. [Matt - Pls update from your own call to OFAC
LB asked you to make]

1

4

Exchange Mail

DATE-TIME 7/20/99 11:25:08 AM

FROM Sanborn, Daniel W. (Press)

CLASSIFICATION UNCLASSIFIED

SUBJECT July 20 NSC Press Guidance [UNCLASSIFIED]

TO Crowley, Philip J. (PRESS)
Gobush, Matthew N. (PRESS)
Hammer, Michael A. (PRESS)
Huff, Lindsey E. (PRESS)
Leavy, David C. (PRESS)
Sanborn, Daniel W. (Press)
Williams, Mary C. (ADMIN)
Wozniak, Natalie S. (PRESS)
Babbitt, James F. (VP)
Black, Steven K. (VP)
Bolan, Christopher J. (VP)
Boulton, Darrien D. (VP)
Brody, Richard J. (VP)
Davidson, Leslie K. (VP)
Dennett, Todd H.
Fuerth, Leon S. (VP)
Hilty, Joanne M. (VP)
Orfini, Michael H. (VP)
Osius, Theodore G. (VP)
Roberts, Michael W. (VP)
Saunders, Richard M. (VP)
Woolston, Ann E. (VP)

CARBON_COPY

TEXT_BODY

TRANSLATED_ATTACHMENT

jul20gui_.doc

NATIONAL SECURITY AFFAIRS GUIDANCE

July 20, 1999

EUROPE / RUSSIA

Sarajevo Conference (updated)
Trip Announcement

Northern Ireland

Kosovo (updated)
Unexploded Ordinances
Who is Running Kosovo?
Dissent
Incidents
KLA Activities

NEAR EAST / SOUTH ASIA

India-Pakistan (updated)
POTUS Call to PM Vajpayee

Iran (new)

ASIA

China/Taiwan / One China Policy (updated)
President Jiang Call
WTO Accession

INTERAMERICAN

Colombia / Suspension of Peace Talks (updated)

NONPROLIFERATION

CTBT (new)

SARAJEVO CONFERENCE

July 20, 1999

CONTEXT: The President will attend a Summit in Sarajevo on July 30, accompanied by Secretary Albright and other senior Administration officials. The President and German Chancellor Schroeder announced on June 21 at the U.S.-EU Summit their desire to convene such a conference to give "strong dynamism" to the Stability Pact and to "get the people of the region to work together to define their own future." The conference is scheduled to begin July 29 with preliminary sessions for the countries of the region.

What do you hope to accomplish next week in Sarajevo?

- * The Sarajevo Summit should:
- * launch Stability Pact in highly visible and symbolic way;
- * promote vision of region founded on cooperation and integration with Europe;
- * encourage SEE countries to cooperate in developing shared strategy for stability and growth;
- * demonstrate Serbia's isolation under Milosevic;
- * advance Dayton implementation.
- * The nations of southeast Europe have expressed their commitment to leave behind

a century filled with violence and division to join a stable, democratic Europe with the hope of enduring peace and prosperity in the new millennium. Last month, the European Union adopted a Stability Pact for Southeast Europe to assist them with that commitment. Along with the leaders of the European Union and the G-8, the President will meet with regional leaders in Sarajevo later this month to show concrete support for these initiatives.

* We have emphasized that NATO's success in Kosovo is a first step towards creating a Europe that is undivided and at peace, one that is founded on democracy and cooperation and that rejects nationalism and strife. The President is going to encourage this shared vision of Europe united and free.

* The Balkans conferences of Europe's past led to "Balkanization". By contrast, this conference will respond to the climate of cooperation and to the initiatives the countries of the region themselves bring to the table. For that reason, the U.S., EU and G-8 leaders will come to the table to hear what the countries of southeast Europe plan in order to improve the climate for outside investment, strengthen democracy, and bring about true cooperation in the region.

* Milosevic shares none of these goals and for that reason Serbia cannot participate.
Are you still determined that Serbia won't get a dime of aid until Milosevic resigns?

* No aid for reconstruction.

* We have always said that Serbia will receive humanitarian aid but not "one red cent" for reconstruction.

* Looking at ways to support democratic opposition, including at the local level.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 19, 1999

STATEMENT BY THE PRESS SECRETARY

President Clinton's Trip to Southeast Europe

President Clinton will travel to Sarajevo, Bosnia-Herzegovina on Friday, July 30 to participate in the Southeast Europe Stability Pact Summit. The Summit, sponsored by the European Union and hosted by the Bosnian Presidency, will gather over thirty heads of state and government from Europe and North America committed to southeast Europe's political and economic recovery and integration into the Euro-Atlantic mainstream.

The leaders will discuss ways to strengthen peace and stability, deepen democracy and civil society, and promote economic reforms throughout southeast Europe. Spreading democracy and encouraging trade and investment in the region will be two important points of discussion. The meeting will also provide an opportunity to assess progress in Bosnia's peaceful transformation to a democratic, multi-ethnic state through implementation of the Dayton Peace Accords.

All the leaders of southeast Europe will be invited to participate, with the exception of President Slobodan Milosevic of the Federal Republic of Yugoslavia (FRY). The United States is committed to assist in the FRY's reintegration into Europe, but only after there is a government in Belgrade that is committed to democracy, human rights and international cooperation.

30-30-30

NORTHERN IRELAND

July 20, 1999

CONTEXT: Prime Ministers Blair and Ahern meet with Senator Mitchell in London today to decide the timing and structure of a review of implementation of the Good Friday Agreement, following last week's impasse over IRA decommissioning. The review is expected to take place in early fall.

What do you expect to come out of today's summit in London?

* We anticipate the Irish and British governments will decide when to hold their review of implementation of the Good Friday Agreement, and how best to structure that review in order to achieve its goal of full implementation of the Agreement. We welcome Senator Mitchell's involvement in these discussions, and hope they will lead to speedy implementation of the accord.

Does this mean Senator Mitchell is now fully involved in the talks again for the long-term?

* You would have to ask Senator Mitchell and the two governments that question. Certainly he has indicated his willingness to be helpful in facilitating the review, but it is premature to speculate on how long his involvement will last.

Isn't it unrealistic to think that the IRA will complete the disarmament (decommissioning) process by May 2000, as spelled out in the Agreement?

* Decommissioning is one of many key components of the Good Friday Agreement, along with power sharing, constitutional reform, human rights, policing, etc. We urge all the parties to implement the Agreement in all its aspects within the timeframe spelled out in the accord.

Who do you expect to replace Mo Mowlam as Northern Secretary in the cabinet reshuffle expected late this month?

* Refer to British government. Mowlam has done excellent job.

KOSOVO

July 20, 1999

How is KFOR deployment going?

* KFOR deployment is over 34000 from 21 nations.

* It includes: 8000 British

5300 American

5000 French

4700 Italians

4300 Germans

1500 Russians

1500 Dutch

900 Spanish

720 Polish (in U.S. sector)

1000 Turkish (in German sector)

530 Canadians (in U.K. sector)

525 Greek (in U.S. sector)

and others.

* There are an additional 8000 other troops in FYROM under General Jackson's command.

* In recent days troops from the United Arab Emirates, Belgium, Finland, Hungary, Portugal, and Denmark have arrived.

* Now that U.S. Army forces have relieved them, the 26th Marine Expeditionary Unit is beginning to withdrawal from Kosovo.

UNEXPLODED ORDNANCES (July 20, 1999)

Context: A Washington Post story appeared July 19 highlighting the problem of the unexploded ordnance from the air campaign, particularly cluster bomblets.

* The U.S. government believes unexploded ordnance and land mines are a serious threat in Kosovo, and is contributing to a vigorous public information campaign to warn Kosovars to take precautions. It is also working with contractors and NGOs to provide for mine and ordnance clearance.

* Before the conflict in Kosovo ended, the U.S. awarded a grant of almost \$350000 to UNICEF for mine awareness education in the refugee camps in Albania and Macedonia, so that refugees would fully understand the danger landmines and UXO present.

* On specifics, we refer you to the Department of Defense.
"WHO'S RUNNING KOSOVO?" (July 20, 1999)

A Washington Post article of July 16 asks "who's running Kosovo?" It alleges a power vacuum as KFOR defers to UNMIK which the KLA and local populace do not take seriously.

* As dictated by UNSCR 1244, UNMIK is in charge.

* KFOR is provided interim security as UNMIK is fully established. The reasoning behind KFOR's immediate entry into Kosovo concurrent with Serb departure was to fill the power vacuum. KFOR will continue to serve this purpose until UNMIK is fully established.

* The Special Representative of the Secretary General in Kosovo, Bernard Kouchner, arrived last week, accompanied by his principal deputy, American Jock Covey, and other personnel. Kouchner announced a comprehensive agenda on arrival which prioritized humanitarian needs and the restoration of public functions and law and order.

* Interim SRSG de Mello has continued to meet with prominent Albanians and Serbs, most recent Ibrahim Rugova on his return to Kosovo and Serbian Orthodox leaders.

* There are now 172 UN police in Kosovo. The plan is for 1000 to be deployed by the end of July. Almost 2500 civil police have already been pledged by nations to the UN, of a target of 3100, and deployment will begin next week.

- * These UN police have begun to join patrols.
- * The OSCE is beginning to recruit members of new Kosovo Police Force and is planning first intake of recruits to the police academy at Vucitrn in mid-August. The first five-week course will comprise 150 students. OSCE has started to select trainers.
- * On June 28, the UN de Mello took significant steps towards establishing interim police and justice systems, appointing legal experts to select judges and deploying first international police. These judges have begun addresses the cases of those KFOR has detained and charged with wrongdoing.
- * Meanwhile, the KLA is showing signs of full compliance with its undertaking to demilitarize. For example, few KLA members wear their uniforms or insignia anymore though they allowed to do so until September.
- * We are confident that the UN, NATO, the OSCE, the EU and the international community, working with the people of Kosovo, will work through many of the difficult issues raised in the article. It is noteworthy that this was an article about implementation of peace, not the continuation of Mr. Milosevic's campaign of ethnic terror.

DISSENT (July 19, 1999)

CONTEXT: In the first protest organized by his Serbian Renewal Party, Vuk Draskovic led a rally in Kragujevac in central Serbia attended by 20,000. He called for Milosevic to step down and for a transitional government to end Western sanctions and prepare free elections. He also counseled against violent change. "Civil-war wounds last the longest and heal the hardest," Draskovic warned. "Serbia must avoid the danger of civil war."

There is mounting criticism of Milosevic within Serbia as demonstrations increase

and opposition leaders speak out. Are you encouraged by this? Do you think Milosevic will be forced to step down? What are you doing to promote this movement?

- * We are heartened that the Serb people are coming to grips with what happened in Kosovo.

- * As the full extent of Milosevic's self-destructive policies come to light, the Serb people are beginning to express their wish for an end to nationalist agitation. As a result, Milosevic has promised the integration into the European mainstream. Unfortunately this can only happen with Milosevic out of office.

- * We have always opposed the cynical manipulation of nationalist sentiment and stated many times our support for Serbia's democratization.

- * It is too early to predict how long Milosevic can maintain his control.

- * We are taking many steps to encourage democratization in Serbia but no one has provided more incentives for political change in Serbia than President Milosevic himself. Serbia will receive no reconstruction aid from the United States with Milosevic in power.

- * NATO's airstrikes implied no quarrel with the Serbian people.

- * The goal of our policy is a Europe that is undivided, democratic, and at peace.

INCIDENTS (July 19, 1999)

How were the U.S. servicemen killed?

- * Two U.S. KFOR members were killed and three injured as the result of an accident near Domorovce. The injured were evacuated to Camp Bondsteel for treatment. The accident was tragic. It occurred when the armed personnel carrier in which the soldiers were travelling overturned. The incident is under investigation.

- * We offer heartfelt condolences to the families of the deceased.

Do these events signal an absence of security?

- * We continue to receive reports of some incidents but they are exceptional. As KFOR deployments have risen their coverage is more complete and their response is more comprehensive.

- * On June 28, the UN Acting SRSG de Mello took significant steps towards establishing interim police and justice systems, appointing legal experts to select judges and deploying first international police.

- * There are now 172 UN police in Kosovo. The plan is for 1000 to be deployed by the end of July. Almost 2500 civil police have already been pledged by nations to the UN, of a target of 3100, and deployment will begin next week.

- * The OSCE is planning first intake of recruits to the police academy at Vucitrn in mid-August. The first five-week course will comprise 150 students. OSCE has started to select trainers.

KLA ACTIVITIES (July 12, 1999)

What is the status on KLA demilitarization?

- * The KLA committed that as of the midnight deadline Monday its members would not carry automatic small arms outside authorized assembly areas and would establish verifiable and secure weapons storage sites.

- * Leadership and the great bulk of the KLA continue to show broad compliance with the terms of the undertaking.

- * The wearing of military uniforms and insignia (due to end in September) has already generally ceased.

- * We see no signs of intentional non-compliance among leadership.

- * We recognize that the KLA may have problems transmitting instructions to all its members dispersed throughout Kosovo. Even so, many KLA personnel have vacated fighting positions, and have moved to assembly areas, dropped weapons and uniforms, and left.
- * The KLA is also assisting KFOR with mine clearance.
- * KFOR will be as rigorous in its enforcement of the KLA undertaking as it was in enforcing Serb forces' withdrawal from Kosovo.
- * The KLA's next deadline is July 20.

The military has said very clearly that they need to accelerate the KFOR deployment. Have you pushed the deployment timetable forward so that more resources get to Kosovo to avoid a vacuum on the ground?

- * US deployment is on track.
- * KFOR numbers continue to rise everyday and are approaching 25000 in Kosovo.
- * As KFOR coverage becomes more comprehensive, we are not seeing violence and reprisals of the kind we saw in the first days after the air strikes ended.
- * Additional American forces from Germany are currently arriving.
- * NATO is looking at ways to accelerate allied deployments.

It appears that the refugees refused to wait for UN help and went home anyway. Has this caused any problems on the ground and is this a sign that, like Bosnia, those responsible for civilian implementation will fail to act quickly enough, causing civilian implementation to lag behind what is needed?

- * Albanians have returned rapidly and against the advice of UNHCR and NATO. As a result, there have been some injuries due to landmines and booby-traps because

areas were not secured in advance.

- * There were some traffic jams and road congestion in the first days of return but these problems have dissipated.

- * Daily returns are proceeding now at a manageable level.

- * Civil implementation for Kosovo is a large task; there is a big job ahead. However, we are encouraged at the speedy response that we have seen thus far from the UN, the EU, and the OSCE.

- * We expect steady progress to be made over the next several months as these organizations expand their capacity within Kosovo.

- * US is doing its part. Secretary Albright has announced commitment of 450 police to the UN civil police force.

- * Even with the rapid returns into Kosovo, there are no people starving and we are doing everything we can to ensure that the returnees will have adequate shelter this winter.

INDIA-PAKISTAN

July 20, 1999

CONTEXT: Pakistani-supported infiltrators have departed the Indian side of the Line of Control and India has declared the crisis in Kargil to be over. Artillery fire continues along the Line in Kashmir, as has been normal over the last several years. The President has written to the Pakistani prime minister and is calling Indian Prime Minister Vajpayee today, urging both to return to the Lahore Process.

Has Prime Minister Sharif fulfilled his commitment to President Clinton to

restore the Line of Control in Kashmir?

* Indian officials reported over the weekend that the Line of Control in the Kargil region has been restored, with infiltrators gone from the Indian side. We welcome this development. Both India and Pakistan deserve credit for their cooperation in ending this crisis.

Is the U.S. now prepared to mediate the Kashmir dispute?

* The United States is not mediating this issue. The President committed to Prime Minister Sharif to take a personal interest in encouraging a resumption and intensification of the Indo-Pakistani bilateral dialogue. In that context, we would hope for an early return to the Lahore process in which both countries would discuss all issues dividing them, including Kashmir.

Is there a Presidential trip to South Asia in the works?

* In his July 4 joint statement with Prime Minister Sharif, the President stated his intent to travel to South Asia, but a date for a visit has not been set.

POTUS CALL TO PM VAJPAYEE

CONTEXT: The President called the Indian Prime Minister this morning in order to offer his appreciation for India's restraint during the crisis in Kargil, and to express his pleasure that respect for the Line of Control had been restored in the Kargil area.

* He stressed his view that a strong bilateral dialogue (the Lahore process) between India and Pakistan was important for long-term peace in the region. The President also reaffirmed his intention to visit South Asia.

* At the end of the cordial, 15-minute conversation, PM Vajpayee offered his condolences for the death of JFK Jr. which he described as a loss to his many friends around the world, including in India.

IRAN: UNREST AND CLAIMS OF US INVOLVEMENT
July 20, 1999

CONTEXT: Iranian Press are reporting that at least one of those arrested in last week's crackdown on pro-democracy protests has confessed to links with US and Israeli intelligence.

Do you have any comment on the Iranian claims that the US incited the pro-democracy protests in Iran last week?

* The assertion is ludicrous and we reject such accusations.

* We have made clear that we are concerned by any use of violence to put down demonstrations in support of freedom of expression and the rule of law anywhere in the world, including Iran.

* We call on Iran to respect international human rights standards, including the rights of freedom of expression and freedom of assembly.

What about the charge that at least one of those arrested has admitted to ties to the US government? Isn't it true that some of those arrested have traveled to the United States to promote their political agendas?

* I don't know where these individuals traveled or whom they met.

* All I can tell you is that the US government had nothing whatsoever to do with these demonstrations.

CHINA/TAIWAN: ONE CHINA POLICY
July 20, 1999

Has Taiwan abandoned the "one China" policy?

* President Lee Teng-hui has issued a statement indicating that Taiwan's cross-Strait policy is unchanged despite his introduction of the idea of "state-to-state" basis for cross-Strait discussion. The Taiwan Mainland Affairs Council has also reaffirmed Taiwan's goal of eventual reunification.

* Refer you to Taiwan authorities for elaboration.

Does Lee Teng-hui's statement today resolve the cross-Strait situation?

* Have seen press reports; refer you to Taiwan for authoritative statement.

* Taiwan President Lee Teng-hui reportedly explained that he was not seeking independence by calling for state-to-state relations in cross-Strait dialogue. He reportedly said "one China" is still possible, but only one that has a democratic system of government. Until then, he indicates there are two Chinese states that should have equal status.

* American policy is clear: we have a one-China policy, we expect a peaceful resolution of the cross-Strait issues, and we strongly encourage dialogue across the Taiwan Strait.

Has the USG communicated with the Taiwan and PRC authorities?

* Outgoing Director of American Institute in Taiwan Darryl Johnson met with President Lee. Stressed continuing U.S. commitment to "one China" policy and strong support for productive cross-Strait dialogue.

* Frequent communication with both sides. Have urged PRC to advance cross-Strait dialogue as the best means to resolve differences with Taipei.

FYI: Taiwan's position on reunification preceding Lee's July 9 statement has four key points:

* there exists currently one, divided China

- * the two sides of the Taiwan Strait are two equal political entities
- * China's sovereignty is "shared" by Chinese on both sides of the Taiwan Strait
- * There will be no reunification with the PRC until the mainland becomes fully democratic.

PRESIDENT JIANG CALL

Can you characterize the POTUS's call with Chinese President Jiang? Did he threaten to use military force to resolve the Taiwan issue?

- * The POTUS called Jiang to express his concern about developments in cross-Strait situation, to urge that the door to cross-Strait dialogue remain open, and to affirm America's long-standing "one China" policy.
- * Jiang assured him that the PRC's fundamental approach to resolving the Taiwan question remains peaceful reunification.
- * Refusal to renounce the use of force is part of PRC's long-standing position. That hasn't changed, and the PRC has made that clear.
- * His message to Jiang was that deterioration of the atmosphere in the Strait serves no one's interest.
- * We will continue discussions with Taipei and Beijing over the coming week to urge that next round of dialogue be scheduled. Direct discussion between Taipei and Beijing is the key to resolving issues between them.

WTO ACCESSION

CONTEXT: Responding to NYT (p.A6) article "U.S. to Resume Trade Talks with Beijing"

Is China ready to re-engage in negotiations on its WTO accession?

* There is no change in China's position. We remain prepared to resume our talks with the Chinese when they are prepared to do so. We believe China's entry into the WTO on strong commercial terms is in both countries' interest.

Is Commerce Under Secretary Aaron going to Beijing this week to resume WTO talks?

* No. The purpose of this visit is to prepare for an annual meeting between our Secretary of Commerce and China's Ministry of Foreign Trade and Economic Cooperation (MOFTEC) that focuses on our commercial relationship. This meeting usually occurs in the fall. (There is no date set yet).

Do you take this as a good sign?

* We support resumption of normal contacts between our officials.

COLOMBIA: SUSPENSION OF PEACE TALKS

July 20, 1999

CONTEXT: Progress in the Colombian peace process has been painfully slow over the past several months. A fresh round of talks was due to start yesterday but were postponed indefinitely late Saturday after the FARC and the government failed to agree on the creation of a team of international observers to monitor the talks. The peace process in Colombia, as in many countries, will be protracted and have its shares of ups and downs. We will continue to support Pastrana's efforts without becoming involved in every twist and turn.

Any comment on the indefinite postponement of substantive talks between the Colombian government and the FARC?

* We continue to support the Colombian peace process and are disappointed by the postponement of the talks. Given Colombia's 40-year history of civil conflict, the peace process is bound to take time and to encounter many obstacles.

* We remain convinced that a negotiated settlement is the best way to end Colombia's long-running conflict. A purely military solution is simply not viable, given Colombia's vast size, the limited infrastructure in its interior, and the complex factors that have allowed a guerrilla presence for two generations.

* We also remain convinced that the peace process is also integral to long-run prospects for fighting narcotics trafficking, reducing kidnappings, restoring respect for human rights, and putting the Colombian economy back on a sustainable, high-growth trajectory.

* However, in order for the peace process to succeed, all parties must participate fully and in good faith. We regret that the FARC continues to engage in kidnappings and attacks that result in civilian casualties. We remain hopeful that the composition and mandate of the international observer teams can be agreed upon soon and that the substantive talks will begin.

Does this latest setback indicate that Pastrana is pursuing a mistaken strategy and giving up too much for too little?

* We strongly support President Pastrana's efforts to broker a negotiated settlement to end Colombia's civil conflict. He was elected on a peace platform and won by the widest margin of victory in recent Colombian history.

* We never expected that a peace settlement with the guerrilla groups could be achieved quickly. Lessons from similar disputes elsewhere suggest that the start-up phase of talks is particularly prone to violence as groups position themselves for the negotiations.

(IF ASKED): Any comment on reports that General McCaffrey is requesting \$1 billion in emergency assistance to bolster Colombia's anti-drug efforts?

* The Administration has been and remains strongly committed to providing assistance to the Colombian government, particularly for their counter-drug and related law enforcement programs.

* However, we have no comment at this stage on any proposal to provide additional assistance to Colombia for counter-drug or other purposes.

CTBT
July 20, 1999

Why are you adding this event on quickly and making a big push on this treaty now?

- * Top foreign policy priority of this administration. President signed treaty in Sept. '96 and listed in State of the Union as important to our national security interests.

- * Treaty's importance has recently been highlighted by fighting in Kashmir, where tensions between two states with nuclear weapons capabilities rose threatening our interests.

- * Concerns over nuclear espionage have led many to draw the right conclusion that this Treaty can constrain states from developing advanced nuclear weapons capabilities.

- * Fourth, a conference of states that have ratified the Treaty will take place this October if the Treaty has not entered into force; for America to be a full participant at that conference, and we need to ratify ourselves to do so.

- * Finally, the American public overwhelmingly supports ratification.

What about Senator Helms' demand that you first submit the Kyoto Treaty and certain ABM and START-related accords?

- * We have made our position on Kyoto clear: we will not submit that Treaty until developing nations have agreed to meaningful participation in this important environmental regime.

- * With respect to the ABM agreements, the President has made clear that he will submit that package as soon as the Russian Duma ratifies the START II Treaty, a goal to which President Yeltsin recommitted himself earlier this month.

- * So the time for the Senate to act on the CTBT is now.

What will happen if the Treaty remains stalled in the Foreign Relations Committee?

* The U.S. leadership role in the world on arms control and nonproliferation issues will be weakened, and we will miss an opportunity to enhance our own national security.

Are you confident we can maintain a reliable nuclear deterrent absent actual nuclear tests?

* Yes.

* The President has been assured by the directors of our nuclear labs that we can meet this challenge.

Exchange Mail

DATE-TIME 7/20/99 12:38:13 PM
FROM Huff, Lindsey E. (PRESS)
CLASSIFICATION UNCLASSIFIED
SUBJECT CTBT POTUS Remarks 7/20 [UNCLASSIFIED]

TO Lackey, Miles M. (LEGIS)
Burrell, Christina L. (LEGIS)
Lackey, Miles M. (LEGIS)
Shapiro, Daniel B. (LEGIS)
Tavlarides, Mark J. (LEGIS)
Andreasen, Steven P. (DEFENSE)
Andreasen, Steven P. (DEFENSE)
Bell, Robert G. (DEFENSE)
Bouchard, Joseph F. (DEFENSE)
Brackman, Stella S. (DEFENSE)
Kelly, Sandra L. (DEFENSE)
McCausland, Jeffrey D. (DEFENSE)
Mitchell, Rebecca (Julie) J. (NSA)
Mulligan, George D. (DEFENSE)
Peterman, David (Brian) (DEFENSE)
Pimentel, Betsy J. (DEFENSE)
vonLipsey, Roderick K. (DEFENSE)
Wasserman, Elaine P. (DEFENSE)
Witkowski, Anne A.

CARBON_COPY Crowley, Philip J. (PRESS)
Gobush, Matthew N. (PRESS)
Hammer, Michael A. (PRESS)
Huff, Lindsey E. (PRESS)
Leavy, David C. (PRESS)
Sanborn, Daniel W. (Press)
Williams, Mary C. (ADMIN)
Wozniak, Natalie S. (PRESS)

TEXT_BODY

TRANSLATED_ATTACHMENT

CTBT.doc
THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release July 20,

1999

STATEMENT BY THE PRESIDENT
ON THE COMPREHENSIVE TEST BAN TREATY

Rose Garden

11:43 A.M. EDT

THE PRESIDENT: I have just had the privilege of meeting with the three Apollo 11 astronauts, who, 30 years ago, carried out the first landing on the moon -- Neil Armstrong, Buzz Aldrin, and Michael Collins. They and everyone at NASA over the years have made an extraordinary contribution to our nation and to humanity. I am very grateful to them.

President Kennedy, who set a goal of putting a man on the moon by the end of the 1960s, was committed to using technology to unlock the mysteries of the heavens. But President Kennedy was also concerned that technology, if misused, literally could destroy life on Earth. So another goal he vigorously pursued was to first propose by President Eisenhower, a treaty to ban for all time testing of the most destructive weapons ever devised -- nuclear weapons.

As a first step, President Kennedy negotiated a limited test ban treaty to ban nuclear tests except those conducted underground. But for far too long, nations failed to heed the call to ban all nuclear tests. More countries sought to acquire nuclear weapons and to develop ever more destructive weapons. This threatened America's security and that of our friends and allies. It made the world a more dangerous place.

Since I have been President, I have made ending nuclear tests one of my top goals. And in 1996, we concluded a Comprehensive Test Ban Treaty -- 112 countries have now signed it, and 41, including many of our allies, have now ratified it. Today on Capitol Hill, a bipartisan group of senators is speaking out on the importance of the treaty. They include Senators Jeffords, Spe

Daschle, Biden, Bingaman, Dorgan, Bob Kerrey, Levin, and Murray. I am grateful for their leadership and their support of this critical agreement.

And today I want to express again my strong determination to obtain ratification of the Comprehensive Test Ban Treaty. America already has stopped nuclear testing. We have, today, a robust nuclear force and nuclear experts affirm that we can maintain a safe and reliable deterrent without nuclear tests.

The question now is whether we will adopt or whether we will lose a verifiable treaty that will bar other nations from testing nuclear weapons. The Comprehensive Test Ban Treaty will strengthen our national security by constraining the development of more advanced and more destructive nuclear weapons, and by limited the possibilities for more countries to acquire nuclear weapons. It will also enhance our ability to detect suspicious activities by other nations.

With or without a test ban treaty, we must monitor such activities. The treaty gives us new means to pursue this important mission -- a global network of sensors and the right to request short notice, on-sight inspections in other countries. Four former Chairmen of the Joint Chiefs of Staff -- David Jo

William Crowe, Colin Powell and John Shalikashvili -- plus the current Chairman, Hugh Shelton, all agree the treaty is in our national interests. Other nation

leaders, such as former Senators John Glenn and Nancy Kassebaum Balabanian, all agree.

Unfortunately, the Test Ban Treaty is now imperiled by the refusal of some senators even to consider it. If our Senate fails to act, the treaty cannot enter into force for any country. Think of that. We're not testing now. Over a hundred and fifty-two countries have signed, 41 have ratified, but if our Senate

fails to act, this treaty and all the protections and increased safety it offers the American people cannot enter into force for any country. That would make it

harder to prevent further nuclear arms competition, and as we have seen, for example, in the nuclear tests in India and Pakistan.

Do we want these countries and other regional rivals to join a test ban

treaty,
or do we want them to stop nuclear testing? Do we want to scrap a treaty
that
could constrain them?
The major nuclear powers, Britain and France, Russia and China, have
signed the
treaty. Do we want to walk away from a treaty under which those countries
and
scores of others have agreed not to conduct nuclear tests? I believe it is
strongly in our interest to ratify the Comprehensive Test Ban Treaty.

The American people consistently have supported it for more than 40 years
now.
At a minimum, the Senate Foreign Relations Committee should hold
hearings this
fall. Hearings would allow each side to make its case for and against the
treaty, and allow the Senate to decide this matter on the merits. We have
chance right now to end nuclear testing forever. It would be a tragedy for
our
security and for our children's future to let this opportunity slip away.

I thank those senators from both parties who today are announcing their
clear
intention not to do that. Thank you.

Q Mr. President, did Jiang Zemin tell you that he would use force to
counter
Taiwan's independence? And would you use force in Taiwan's defense?

THE PRESIDENT: First let me tell you I'm going to have a press
conference
tomorrow and I will answer a lot of questions. The answer to that question
is,
we had a conversation in which I restated our strong support of the one
China
policy and our strong support for the cross-strait dialogue, and I made it
clear
our policy had not changed, including our view under the Taiwan Relations
Act
that it would be -- we would take very seriously any abridgement of the
peaceful
dialogue.

China knows very well what our policy is, and we know quite well what
their
policy is. I believe that the action of the United States in affirming our
support of the one China policy and encouraging Taiwan to support that
the
framework within which dialogue has occurred will be helpful in easing
some of

the tensions. And that was the context in which our conversation occurred.

So I thought it was a very positive conversation, far more positive than negative. And that is the light in which I meant it to unfold, and I think that is the shape it is taking. So --

Q The Chinese seemed to make it clear that he would use force --

Q On the treaty, Senator Helms says that he would be happy to hold hearings if you would send up the ABM Treaty and the Kyoto Treaty. Will you?

THE PRESIDENT: Look, the ABM Treaty -- we have to conclude START II first.

That's in our national interest. The Kyoto Treaty -- all the people who say they're not for the Kyoto Treaty insist that we involve the developing nations in

it. I agree with them -- even the people who are against the Kyoto Treaty under

any circumstances say, well, if you're going to have it you've got to have the

developing nations in there. So it's inconsistent for me to send it up when we're out there working ourselves to death to try to get the developing nations

to participate.

Now, this is a relatively new issue, the Kyoto Treaty. And the other issue is not ripe yet -- clearly, not ripe yet. So to take a matter that has been a matter of national debate for 40 years now, and it is finally a reality -- a treaty that has been ratified by 40 other countries, the prospect of dramatically

increasing the safety of the American people in the future -- and hold it hostage

to two matters that are literally not ripe for presentation to the Senate would be a grave error, I think. And I hope that we can find a way around that.

Thank you.

Q Are the Chinese still upset about the embassy bombing?

Q -- test ban, there have been some that say that the Cox report shows that you

should actually be developing weapons to stay ahead of proliferators. Is there a

comment on that?

Q He's gone.

THE PRESS: Thank you.

END 11:55 A.M. EDT

Exchange Mail

DATE-TIME 7/26/99 6:40:43 PM
FROM Lieberthal, Kenneth G. (ASIA)
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: Security Assistance Act of 1999 [UNCLASSIFIED]
TO Samore, Gary S. (NONPRO)

CARBON_COPY

TEXT_BODY

Not a high priority, but please do send the papers when you get a chance. Tkx.

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

From: Samore, Gary S.
(NONPRO)
Sent: Monday, July 26, 1999 5:47 PM
To: Lieberthal,
Kenneth G. (ASIA)
Subject: RE: Security Assistance Act of 1999
[UNCLASSIFIED]

mischief. Senator Helms has introduced legislation that would restrict the Executive branches' existing authorities to engage in peaceful nuclear cooperation and agree to support additional MTCR members. Various pre-notifications and certifications. I can send you the pepers.

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

From: Lieberthal,
Kenneth G. (ASIA)
Sent: Monday, July 26, 1999 5:12 PM
To: Samore,
Gary S. (NONPRO)
Subject: RE: Security Assistance Act of 1999 [UNCLASSIFIED]

Gary,

Your
message is a little too cryptic for me. What is going on here?
Tkx.

Ken

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

From: Samore, Gary
S. (NONPRO)
Sent: Monday, July 26, 1999 5:00 PM
To: Lackey, Miles
M. (LEGIS)
Cc: @NONPRO - Export Controls; @LEGISLAT - Legislative
Affairs; @ASIA - Asian Affairs
Subject: Security Assistance Act
of 1999 [UNCLASSIFIED]

Miles,

I understand that State/NP is considering veto threat on section 101 (amending nuclear reporting requirements) and section 111 (adherence to MTCR) of the SAA/1999, which is supposed to be marked up this week. They're sending me papers analyzing the provisions. Both are directed mainly against China.

Also, Deanna Okun (Murkowski) called for some material on 101 (Murkowski opposes) and I sent her to State. She said Murkowski may weigh in on jurisdictional grounds.

Exchange Mail

DATE-TIME 7/27/99 9:39:00 PM

FROM Wozniak, Natalie S. (PRESS)

CLASSIFICATION UNCLASSIFIED

SUBJECT CORRECTED: July 21 Press Conference by the President, The East Room
[UNCLASSIFIED]

TO Crowley, Philip J. (PRESS)
Gobush, Matthew N. (PRESS)
Hammer, Michael A. (PRESS)
Huff, Lindsey E. (PRESS)
Leavy, David C. (PRESS)
Sanborn, Daniel W. (Press)
Williams, Mary C. (ADMIN)
Wozniak, Natalie S. (PRESS)
Gray, Wendy E. (SPCHW/CNSLR)
Halperin, David E. (SPCHW)
Malinowski, Tomasz P. (SPCHW)
Orzulak, Paul K. (SPCHW)
Widmer, Edward L. (Ted) (SPCHW)
Gray, Wendy E. (SPCHW/CNSLR)
Rudman, Mara E. (CNSLR)

CARBON_COPY

TEXT_BODY POTUS Press Conference
CORRECTED: July 21 Press Conference by the
President, The East Room

TRANSLATED_ATTACHMENT CORRECTED - July 21 Press Conference of the President.doc
THE WHITE HOUSE

Office of the Press Secretary

For Immediate

Release July 21, 1999

PRESS CONFERENCE BY THE PRESIDENT

The East Room

2:35 P.M. EDT

THE PRESIDENT: Good afternoon.

Q Mr. President, you don't know it, but there is such a bright light on you -- we can't see you for the light. (Laughter.)

THE PRESIDENT: I've been waiting a long time for the halo to appear. (Laughter.)

Let me say, ladies and gentlemen, I have a brief opening statement, but before I make that and take questions, I'd like to say that, as you might imagine, I have been briefed on this morning's developments in the search off Martha's Vineyard. Again, let me commend the Coast Guard and all the officials at the local, state and national level for the fine work they have done under extremely difficult circumstances.

Again, I think we should keep our thoughts with the families as events unfold, and my thoughts and prayers are with them.

Today I want to make a brief statement about the choice we face here in Washington and in our country about how best to move forward into the new century and what to do with the surplus. When we look toward the future, it is helpful to remember at least the recent past. Six and a half years ago, the budget

deficit was \$290 billion and rising. Wages were stagnant, inequality was growing, social conditions were worsening.

In the 12 years before I took office, unemployment averaged more than 7 percent. It's almost difficult to remember what it was like. No one really thought we could turn it around, let alone bring unemployment to a 29-year low, or turn decades of deficits, during which time the debt of our country was quadrupled in only 12 years, into a surplus of \$99 billion.

Our nation has made a seismic shift in the last six years, from recession to recovery, from a crisis of confidence to a renewal of resolve, from economic disorder to a fiscal house finally in order. Now as we debate what to do with our prosperity, we face a critical choice -- whether to move forward with the fiscal discipline that got us to where we are today, or return to the kind of risk-taking that got us into recessions and deficits before.

We must decide whether to invest the surplus, to strengthen America over the long-term, or to squander it for the short-term. I think the right course is clear. And a bigger surplus only means that the mistake could be bigger, and the missed opportunity greater if we take the wrong course.

I have proposed a balanced budget that puts first things first. I believe we must maintain our sound economic strategy, and invest the surplus in long-term goals -- saving Social Security, saving and strengthening Medicare, modernizing it by providing a long overdue drug benefit, and continuing to meet our basic responsibilities in education, defense, the environment, biomedical research.

Tomorrow I will release a report that shows a great and growing need for prescription drug coverage. What the study shows is that 75 percent of our older Americans lack decent, dependable private-sector coverage of prescription drugs. That's three out of every four seniors. Clearly, America needs a prescription drug plan that is simple, universal and voluntary. Anyone who says we don't I believe is out of date and out of touch.

As I've described, my plan meets these national priorities, while paying off the debt by 2015; while investing in America's new markets, the places that have not yet felt our prosperity; and while providing substantial tax relief -- \$250

billion of it targeted to help families save for retirement, pay for child care, long-term care, for modern schools.

So let's be clear about something. We're not debating whether to have tax cuts or not -- we should have tax cuts, but tax cuts that provide for us first to save Social Security and Medicare, not undermine them; tax cuts we can afford, not ones that would demand drastic cuts in defense, education, agriculture, the environment; tax cuts in the national interest, not special interest.

Now, these are the risks that are posed by the Republican tax plan that the House is about to vote on. Let me tell you what their plan would do. It would pile up \$3 trillion in debt over the next two decades, right when the baby boomers start to retire -- that's what it costs -- right when Social Security and Medicare feel the crunch.

Because of the cost of the tax plan over the next two decades, I should say what it doesn't do. It doesn't do anything to extend the solvency of Social Security, to extend the solvency of require significant -- significant -- cuts from where we are today in education, defense, biomedical research, the environment and other critical areas.

If we don't save Social Security it's not because we can't. If we don't strengthen Medicare and add the prescription drug benefit, it's not because we can't. If we don't meet these clear national needs, it's because we choose not to do so. It will be because, instead, we choose to reward ourselves today by risking our prosperity tomorrow.

I hope Congress will make the right choice. When members cast their ballots on the Republican tax plan, they're really voting also on whether to save Social Security and Medicare. They're voting on whether to pay off the national debt for the first time in over 150 years -- something that would guarantee us lower interest rates, higher investment, more jobs, higher incomes, and for average citizens, lower home mortgage payments, car payments, credit card payments, college loan payments.

They're voting whether to meet our most pressing national priorities in education, defense, nearly every other domain in our people's lives. I think the

choice is clear between the plan the Republican leadership has outlined and the national priorities of the American people. I hope we can still work together across party lines to save Social Security and Medicare, to safeguard our priorities and have the right kind of tax cut.

If Congress passes the wrong kind, of course, I will not sign it. I will not allow a risky plan to become law. And as I said, we now have six and a half years of evidence. This is not really a debate that's just about ideas without any evidence. We clearly know what works now, and we ought to stay with it.

As I said, I will work with any member of any party willing to put first things first. We can have a tax cut and do the right thing for the long-term in America. That is my commitment, and I hope that together we can fulfill it for our people.

Thank you very much. Helen.

Q Mr. President, in U.S. treaty relations, is it obligated to defend Taiwan militarily if it abandons the one China policy? And would the U.S. continue military aid if it pursues separatism?

THE PRESIDENT: Well, let me say, first of all, a lot of those questions are governed by the Taiwan Relations Act, which we intend to honor. Our policy is clear: We favor the one China policy; we favor the cross-strait dialogues. The understanding we have had all along with both China and Taiwan is that the differences between them would be resolved peacefully. If that were not to be the case, under the Taiwan Relations Act we would be required to view it with the gravest concern.

But I believe that both China and Taiwan understand this. I believe that they want to stay on a path to prosperity and dialogue. And we have dispatched people today, as the morning press reports, to do what we can to press that case to all sides. This is something that we don't want to see escalate, and I believe that what Mr. Lee said yesterday was trying to move in that direction. We all understand how difficult this is, but I think that the pillars of the policy are still the right ones. The one China policy is right; the cross-strait dialogue is right; the peaceful approach is right. And neither side, in my judgment,

should depart from any of those elements.

Q So we would still have to go to war with China if it decided to break away?

THE PRESIDENT: I will say what I've already said -- the Taiwan Relations Act governs our policy. We made it clear. And I have -- as you remember, a few years ago we had a physical expression of that, that we don't believe there should be any violent attempts to resolve this, and we would view it very seriously. But I don't believe there will be. I think that both sides understands what needs to be done.

Terry?

Q Mr. President, do you think that President Lee was unnecessarily provocative in trying to redefine the nature of the Taiwan-Chinese relationship? And is the United States trying to send a signal by delaying a Pentagon mission which was going to Taiwan to assess its air defense needs? And, further, finally, you said that you still believe in a one China policy. How do you address Senator Helms' criticism that that policy is "a puzzling fiction"?

THE PRESIDENT: Well, I don't think it's a puzzling fiction. But if Senator Helms means that today they're not, in fact, unified, then that's true. But the Chinese tend to take a long view of these things and have made clear a sensitivity to the different system that exists on Taiwan, and a willingness to find ways to accommodate it, as they did in working with Hong Kong, and, perhaps, even going beyond that.

So I think the important thing is to let -- they need to take the time necessary to work this out between themselves in a peaceful way. That is clearly in both their interests. And I'm still not entirely sure, because I have read things which seem to resonate both ways on this, exactly what the Lee statements were entitled -- trying to convey.

But I think that both sides are now quite aware of the fact that they need to find a way to pursue their destinies within the framework that we have followed these last several years, which I might add, has allowed both places to prosper and to grow, to do better and to have more contacts, more investment, and

underneath the rhetoric, quite a bit more reconciliation. So I would hope that we would stay with what is working and not depart from it.

Q Is that the meaning of the delay of the Pentagon mission to assess the --

THE PRESIDENT: I didn't think this was the best time to do something which might excite either one side or the other and imply that a military solution is an acceptable alternative. If you really think about what's at stake here, it would be unthinkable. And I want -- I don't want to depart from any of the three pillars. I think we need to stay with one China; I think we need to stay with the dialogue; and I think that no one should contemplate force here.

Randy.

Q Economists have been calling on you to indicate now whether you intend to reappoint Alan Greenspan in order to avoid having the issue to become mired in election year politics and upsetting financial markets next year. Would you like to see the Chairman stay on, and has he given you any indication of his plans?

THE PRESIDENT: I have, as you know, enjoyed a very good relationship, both personally and professionally, with Mr. Greenspan. I think he has done a terrific job. I have no idea whether he would even be willing to serve another term. I will make the decision in a timely fashion. I do not expect it to become embroiled in election year politics; there's no evidence of that.

You heard -- I think the Vice President said yesterday or the day before that he thought he was doing an excellent job. So we believe that as long as the United States is fiscally responsible, then the Fed will respond to developments in our own economy and in the world economy in a way that is clear, transparent, and I think designed to keep our growth going. So I'm not concerned about it.

Peter, go ahead.

Q -- I think the Vice President indicated he was sending a signal by saying that Chairman Greenspan had been doing an excellent job. Do you endorse that interpretation?

THE PRESIDENT: I don't know, all I know is he said he was doing a great job, and I agree with him.

Go ahead.

Q Mr. President, you mentioned the Kennedy tragedy at the beginning of the news conference. Could you please give us a better understanding of what the White House role has been in the conduct of the recovery operation and the decision-making on the release of information about it?

THE PRESIDENT: Well, I think that -- I am unaware of any role we have played in the decision-making of the release of information, except, let me say that today a lot of things are breaking in a hurry, and I believe there are some decisions that ought to be announced by the Kennedy family, and others that ought to be properly announced by either the Coast Guard or the NTSB.

So we have not tried -- to the best of my knowledge, had any role in the timing or substance of release of information. And we have had no role in the conduct of the operation except that I did talk to Admiral Larrabee, I think it was the day before yesterday, at a time when the operation might normally have ceased, and he said, I think we have a chance to find something else because of the equipment we have here, even though it's difficult and I'm inclined to believe because of the circumstances here and because who's involved that we ought to go on a little more. And I said that I would support it and defend it. And I think it was the right decision.

Q Mr. President, if you'll allow me to ask about two different topics. On the Kennedy search, sir, there have been conflicting reports about whether or not Mr. Kennedy's body has, in fact, been recovered. I understand that based upon the answer you just gave, that might not be a question that you'd want to address, but, perhaps, given the fact that there is this conflicting information you could answer that question.

And, secondly, sir, on this notion of a drug benefit, prescription drug benefit, you chided the Republicans about targeting tax cuts at the wealthy, saying that they're too steered in that direction. How do you reconcile that philosophically with allowing rich Americans, rich older Americans, to get a

prescription drug benefit which even you just said this new study will show one in four don't need?

THE PRESIDENT: Well, first of all, it's voluntary. And most wealthy Americans are well taken care of under the present program they have and won't exercise it. So that's the first point I want to make.

The second thing I would like to say is I don't think most people know this, even some of you may have forgotten, but in the 11th hour of the deficit reduction package negotiations in 1993, in order to get up to \$500 billion in cuts in the deficit projected over five years -- we did much better, as all of you know -- the cap was taken off. The income cap was taken off of the Medicare tax, which means virtually every single upper-income person in America will pay far more into the Medicare program than they will ever draw out in health care or benefits.

They are making a net significant contribution today because, unlike Social Security taxes where there is still an earnings cap, there is no longer an earnings cap on Medicare. And I think a lot of folks have forgotten that -- so that in that sense, this is the most progressive program we have. The upper-income people, particularly once you get over about \$250,000 in income, they're paying far more into this program over the course of their life than they could ever draw out if they were sick every day from the time they're 65 on.

Q Sir, a question --

THE PRESIDENT: I just don't think I should make an announcement about that. I am aware of what the Coast Guard has done and what they have found as of five minutes before I came out here. But I simply -- I just don't think it's appropriate for me -- I'll be glad to comment on whatever they want to say, but I think I should leave it for them to talk.

Q Sir, you talk about how expensive the Republican tax cuts would be. But the Congressional Budget Office has now just come out with a report saying that even with their tax cuts, almost \$800 billion in tax cuts, they would save about \$277 billion over a 10-year period, whereby your program would save only about \$50 billion. That's about \$227 billion difference. How do you reconcile that? And,

you know, people on the Hill listen to the CBO.

THE PRESIDENT: They listen to the CBO except where it's inconvenient for them, like the patients' bill of rights. The Republicans have freed us all now to question the CBO, since they ignored the CBO in the patients' bill of rights; they have discredited their own CBO.

Let me say, I haven't seen that CBO accounting. All I can tell you is that all of our budget people were rolling their eyes and saying that it was a very creative study.

Let me just say this: You have six and a half years of experience with the numbers we have given you and the estimates we have made. And every single year, our numbers have not only been accurate, but we have done better than we said we would do -- every single year, for six and a half years now.

Our studies show that their tax cut over the next two decades will cost, first, a trillion dollars and then \$3 trillion in the second decade, and that -- then an enormous loss to the American people in interest savings. That is, we'll have to keep spending more and more of our tax money paying interest on the debt, and it will require huge cuts in education and defense and other things.

You cannot -- they simply cannot credibly make that statement. And they don't put any new money into the Medicare program. And they don't have a Medicare reform package out there. So unless they just simply propose to bankrupt all the teaching hospitals and a lot of the other hospitals in the country, and let the Medicare program wither away, as one of the previous leaders so eloquently put it -- they can't possibly finance this tax program without doing serious damage. I can't comment on the CBO study, but it doesn't make any sense to anybody I've talked to about it.

Q May I just follow up --

THE PRESIDENT: Yes.

Q The CBO estimates the cost of your Medicare reforms are more than twice what you say they are.

THE PRESIDENT: Well, again you have evidence. Let me just say this: In the 1997 Balanced Budget Agreement -- okay? -- and this is the reason all these teaching hospitals are in trouble today -- we agreed to a Medicare savings figure. And we said, okay, here is our health information -- this is what we do in the Executive Branch, we deal with these hospitals -- here are the changes you need to make in the Medicare program to achieve the savings that the Republicans and the Democrats in Congress and the White House agreed on.

And the CBO said, no, no, no, no, that won't come close; you need these changes plus these changes. And we said, okay, we're following the CBO, we put it in there. What happened? And that's one of the reasons the surplus is somewhat bigger than it otherwise would be -- the cuts in Medicare were far more severe, our numbers were right, their numbers were wrong and that's why you've got all these hospitals all over America, every place I go, talking about how they're threatened with bankruptcy.

So when it comes to estimating Medicare costs, again, we have evidence. And whenever there's been a difference between us and the CBO, we've been right and they've been wrong. That's all I can tell you. No serious person -- so what are they going to do about Medicare? They say our drug program will cost more -- they don't put a red cent into it. What are they going to do about it? Even if you don't have a drug program, if you adopt their tax cut program they won't be able to do anything to extend the solvency of Medicare and they will have to have huge cuts.

For them to produce those savings they are going to -- they can't even fund my defense budget, much less the one they say they want. They're going to have cuts in defense, cuts in education, cuts in the environment. That's all their savings assumed that they're going to stay with the present budget levels, which they, themselves, are trying to get out of even as we speak here today. So this is -- the American people are not -- I mean, this is not rocket science, this is arithmetic.

And we've been dealing with -- we went from creative supply-side mathematics to elemental arithmetic in 1993. And it has served us very well. And all I'm trying to do is stick with basic arithmetic and get this country out of debt,

save Social Security and Medicare, provide this prescription drug benefit, keep us moving forward.

Q Mr. President?

THE PRESIDENT: Next. Let me take John's first, then I'll take you, Sarah.

Q Sir, in your conversation with Chairman Arafat this morning, did you ask him to take any specific steps to advance what you believe is new momentum toward peace, and did you discuss with him his complaints yesterday that he found Prime Minister Barak's 15-month timetable unacceptable?

THE PRESIDENT: Well, I told him only this. I said that -- I generally described my meetings with Prime Minister Barak to him. I told him that he was committed to working in partnership with Chairman Arafat and honoring any agreements that had been made to this point, and that any modifications they made going forward to the benefit of either or both sides would have to be done by mutual agreement; that I thought he was completely committed to resolve all the issues outstanding in the peace process in an expeditious manner. And what I urged him to do was to have this one-on-one meeting, hear him out, think it through, and if he wanted to talk to me again after the meeting occurred, that I would be happy to talk to him.

So I went out of my way not to describe Prime Minister Barak's proposals or to advocate or not advocate, but simply to say that I was convinced they were being made in complete good faith, and that the peace process would be revitalized, and whatever they did from here on out is something that they would do together. And I think he felt good about that. And I did say, after you have the meeting, if you want to talk again about this -- I'll be glad to talk to you. And he said he did. So that's where we are.

Sarah. Go ahead, Sarah.

Q Sir, your microphone is not working apparently; it seems like you're talking very low, we can barely hear you. But in the meantime, don't you think it would be a good idea if we announced for the country's sake the list of conferences to be held at the White House each day, and the list of the people whom the

President has appointments with?

THE PRESIDENT: I don't know. I never thought about it. Don't you have a list of the conferences we have every day here?

Q No, indeed. We do -- and what if we find out you haven't any?

THE PRESIDENT: Well, I think I ought to talk to our folks about it, but I will consider that.

Go ahead.

Q Will you be taking any concrete contributions with you to the Balkan summit on investment next week? And you've said that you would give only humanitarian aid to Yugoslavia as long as Milosevic is in power. Will you have any trouble defining that? Will that cause any problems in distinguishing between humanitarian and other aid?

THE PRESIDENT: Well, let me say that I hope very much that there will be some positive, concrete commitments that come out of the meeting that we're going to have. I do not believe -- I do not believe we can achieve the future we want in the Balkans and avoid future ethnic conflicts unless there is a unifying vision which both brings the Balkan states closer together in their economic and political self-interests, and then brings the region as a whole closer to Europe.

And so I think that we have to have some incentives to move in that direction. And there are direct -- there are also indirect things the United States can do to help to contribute to that goal. And because of all the other things that have been going on -- you know it's been a very busy two or three weeks -- we haven't actually had an opportunity to sit down and go through what our options are, so I can't give you a more specific answer.

But I will say this -- if what we have done in Bosnia, and what we have done in Kosovo, is to have lasting benefits, we have got to find a way to create closer unity among the Balkan states themselves, and then with the region and Europe. And that is what I am working on.

And what was the second question you asked?

Q On the humanitarian aid, how will you define it?

THE PRESIDENT: Oh, yes. There may be -- frankly, there may be some differences of opinion. As you know, I tend to take a rather narrow view of it because I don't think that we should, in effect, reward Mr. Milosevic's political control by doing things which are not humanitarian in nature. But based on the virtual daily reports I get about where we all are on this and where we are operating in Kosovo, I now no longer expect them to be big debates. I don't expect there will be a big difference of opinion.

Yes, go ahead, John.

Q Mr. President, the House of Representatives appears to be on the verge of terminating funding for the F-22 fighter. Will the White House fight hard for full funding for that program, even if it means sacrificing other Pentagon airplane programs or even pay for servicemen?

THE PRESIDENT: Well, I don't think we should sacrifice the pay for our service personnel because we now are getting back in the ball game in recruitment. You know, we've really been -- the good economy and the increased deployments and the low pay all combined we're making it hard for us to both recruit and retain people. And the people are still the most important part of our military -- their quality and their training and their morale and their commitment and the condition of their families. So I don't think that.

Now, the Congress every year puts other things into the defense budget which are not priorities for the Pentagon, and are priorities for the Congress. We can fund the F-22, we can fund the plane without compromising the basic priorities of our national defense within the funds set aside, and that is what I will fight to do. I think it would be a mistake to abandon the project. I think it has real potential to add to our national defense. I have always supported it and I hope that it can be preserved.

Q Thank you, Mr. President. You had some fun, recently, with George W. Bush and his slogan of "compassionate conservatism." But you went beyond the notion

that he's not offering many details as policy, and seemed to ridicule his slogan and even question his sincerity. Were you just trying to help Mr. Gore's candidacy or were you taking the opportunity maybe to just needle the leading Republican candidate?

THE PRESIDENT: No, I was just having a little fun. (Laughter.) You know, that's a long time -- if we don't have any laughs it's going to be a very tedious struggle between now and November of 2000.

Let me say this. I think that every person struggles to find a phrase or something that will sort of stand for what he or she is trying to do. So I was really just having a little fun.

I think the most important thing is that all the candidates make their positions clear on the great debates going on now, and make their positions clear on what they would do if they got the job. To me, that's the most important thing. You know, I am not involved in this campaign as a candidate, and I have a full-time job, so I'm not involved in any sort of full-time consulting role. (Laughter.) So I look at this -- I look at this more from the point of view of the average American voter -- what will change the lives of America.

For example, every candidate should tell us, are you for the patients' bill of rights are you for closing the gun show loophole; are you for raising the minimum wage; are you for the House Republican tax plan, or do you favor our plan on Social Security and saving Social Security and Medicare and making America debt-free and having a smaller tax cut that enables us to continue to fund education and defense and these other things? What are you going to do if you get elected?

To me, the best thing the Vice President has done is to talk about dramatically intensifying the war on cancer, making pre-school universal, increasing access to college by helping people save without tax consequences; what he would do to make America a safer country, what he would do in communities to have faith-based organizations cooperate with governments more. I think these are interesting ideas about how you build on the progress the country has made the last six and a half years.

So I would say to everyone -- you know, use whatever slogans you want, but tell us where you stand. I think that's the most important thing.

Susan?

Q Mr. President -

THE PRESIDENT: Yes, I'll come over here. I know I'm left leaning, but I will give you -- (laughter) --

Q Mr. President, the economy is going great. In a new USA Today-CNN poll this week, your approval rating was at a very healthy 58 percent. But that same poll showed that by 50 percent to 38 percent, Americans said they wanted to see a change from Clinton administration policies -- not a continuation of them. What do you think accounts for that sentiment for change, and do you think it means that you present something of a mixed blessing to Mrs. Clinton and Vice President Gore in their campaigns next year?

THE PRESIDENT: I think what that means people think things are going well, but they want a change in policy. I think that's right. If you asked me that question, and you worded it in that way, I'd be in the 50 percent, because I think that -- my own view is that, particularly in a dynamic time, where things are changing, you should want continued change. But is change -- the question is, should we change in a way that builds on what has been done and goes beyond it -- which is what I would argue -- or should you change and go back to the policies we were following when we had \$290-billion deficits and we averaged over 7 percent unemployment for 12 years. I mean, I think that's really the question the American people have to ask themselves.

I think change is good. The great thing about this country is that it works best when it's sort of in a perpetual stage of renewal. So I would, myself, as a citizen, I would vote against somebody who said, vote for me and I'll keep it just like it is; everything that Bill Clinton did is exactly what I'll do. I would vote against that candidate, because I do not believe that is the right thing to do.

But what I think we should do is we should build on the progress of the last

six years and go beyond it, and not adopt a completely different approach which has been proven not to work. So all I want the American people to do is to remember what it was like before, think what it's like now, recognize that ideas and policies have consequences. And the American people usually get it right; that's why we're all still around here after more than 200 years.

Q -- (inaudible.)

THE PRESIDENT: No.

Q -- for Mrs. Clinton and Mr. Gore?

THE PRESIDENT: No, because I -- no, he has done -- look at what the Vice President's done. He's staked out new issues here. He said, here's how I'm going to change what we're doing in cancer research; here's how I'm going to change what we're doing in education; here's how I'm going to change what we're doing in crime -- but not to reverse what we've done, but to build on it and go beyond it. So I think that's very, very -- that's the sort of thing that's worthy of debate. That's not the same; that is change.

What the American people have to decide is what kind of change do they want. Do they want to build on what has worked for the last six and a half years, or do they want to abandon it and go back to what failed them for 12 years before. That will be the decision they have to make.

Yes, go ahead.

Q In your last press conference, sir, with Prime Minister Ehud Barak, you mentioned you wanted better, normalized relations with Syria. Now, have you received any response, positive response or indication from Syria towards that? And, on Iran, can you share with us the administration's views of -- events and administrations in Iran? Thank you.

THE PRESIDENT: Well, on Syria let me say, the only thing I can tell you is that the statements, at least, that have been coming out of Syria have been quite encouraging in terms of the regard that President Assad seems to have for Prime Minister Barak, and the willingness, the openness that there is to negotiating

and moving toward peace. So I'm encouraged by that.

And on Iran, frankly, I'm reluctant to say anything for fear that it will be used in a way that's not helpful to the forces of openness and reform. I think that people everywhere, particularly younger people, hope that they will be able to pursue their religious convictions and their personal dreams in an atmosphere of greater freedom, that still allows them to be deeply loyal to their nation. And I think the Iranian people obviously love their country and are proud of its history and have enormous potential. And I just hope they find a way to work through all this, and I believe they will.

Q You mentioned the patients' bill of rights. It seems like that was an argument by both parties over providing more for people who already are lucky enough to have health insurance. And, in fact, neither party dealt with some very fundamental issues that energized you and the First Lady five and six years ago. The question is, with such a robust economy and the budget surpluses, if not now, when, and if not you, who, would provide the leadership to provide for those folks?

THE PRESIDENT: Yes, but I think the bigger question is how. That is, it is true that just as we've predicted in 1993 and 1994, that the percentage of people who have health insurance on the job is going down, just as we said it would, if nothing was done. So what we have tried to do is to isolate discrete populations that seem to be most in need and try to offer them help.

In the Balanced Budget Act of 1997, we reached bipartisan agreement on a proposal that would fund providing health insurance for up to 5 million more children through state-designed programs. Now, I've been a little disappointed -- and I'm not being critical of any of the states, either, here -- but I've been a little disappointed that the uptake on the program has been a little slow. That is, I would have thought by now we'd have almost 3 million of those 5 million children enrolled already, because we've got the money there, and we're well behind that.

So we are looking at whether there are things that we can do at the national level to work with the states to simplify access to the children's health insurance programs that the states have set up. But -- and I also had a talk

with Senator Kennedy, the other day who believes that for little or no more extra money, we could actually adjust the program and take in several million more children. So the children are the biggest group.

Then, I have a proposal, as you know, that's part of my Medicare reform proposal that I didn't mention today, but I want to reiterate it, that would allow the most vulnerable group of people without health insurance, people between the ages of 55 and 65, to buy into the Medicare system in a way that would not compromise the integrity of the system. So I think that is quite important.

In addition to that, there are a lot of states -- there are some states -- Tennessee was the first state to do this under the former governor -- they started it -- which are allowing lower-income working families to buy into their Medicaid programs on a sliding scale.

So if all these things were done, we would dramatically reduce the number of people without health insurance and we'll eventually probably get down to, if we keep pushing in this direction, get down to the point where the largest group of people without health insurance are young, single people who believe that they're going to live forever and be healthy forever and don't want to bear the cost. And we'll have to think about, then, what to do.

But I think the best thing to do is try to get as many kids as we can covered, and then try to get these people who are out of the work force who are older, but they're not old enough to get Medicare, to get them at least where they can all afford on a sliding scale to buy into the Medicare program.

Go ahead, Scott.

Q Thank you, Mr. President. On the Kennedy tragedy, sir, will you authorize the Navy to participate in a burial at sea ceremony? Why do you believe it's justified to spend so many federal resources on this tragedy? And, finally, sir, I wonder if you would give us your thoughts on Mr. Kennedy's last visit here to the White House. I understand you and the First Lady took him on a tour.

THE PRESIDENT: Well, we have received -- I have received no official word,

personal word from the family what burial arrangements they want. Until they make a statement about it, I just don't feel that I can say anything.

Secondly, I will say that until just a couple of days ago the recovery efforts -- the rescue, then the recovery efforts that were undertaken were consistent with what would have been done in any other case. Because the Coast Guard felt that they had the capacity to succeed in this if they had a few more days, and because of the role of the Kennedy family in our national lives, and because of the enormous losses that they have sustained in our lifetimes, I thought it was appropriate to give them a few more days. And if anyone believes that was wrong, the Cost Guard is not at fault; I am. It was because I thought it was the right thing to do under the circumstances.

Now, you asked about -- John Kennedy had actually not been back to the White House since his father was killed, until I became President. First, he was on an advisory committee that made a report to me and he came back to the Oval Office, where he saw the desk that he took the famous picture in, coming through the gate, for the first time since he was a little boy.

And then last year -- maybe you would have a better memory than I would, but it seems to me it was last May, when we had the event at the White House celebrating the series that HBO did on the Apollo program. Do you remember they did a series on the space program that was done after the movie came out? And Tom Hanks came, a lot of people came. And he was invited because of his father's role in starting the space program. And he and Carolyn came. And afterward I asked them if they would like to go upstairs, and he said he would. So I took him upstairs and showed him the residence, which he'd not seen since he was a tiny boy.

And I showed him some of my -- the memorabilia that I had from his father's service. I have a picture of his father speaking to the Irish Parliament, and a number of other things which he thought were very interesting. And we took a -- we had a very nice evening. And I sent him the pictures from it. And then, in return, he sent me a signed copy of his favorite picture of his father, which is now upstairs. It's John Kennedy campaigning in Virginia, in Charlottesville in 1960. It's quite a lovely picture -- interesting picture.

But it was a nice night. I think that he really wanted to kind of come to

terms with all of it. And I think he and Carolyn, they were delightful young people, and they had a great time here that night. And Hillary and I loved having them here. It was quite a great night.

Q To just follow on that, sir, just one question, if I may. Is there anything that Mr. Kennedy said to you that night that particularly struck you?

THE PRESIDENT: We just had a friendly conversation. You know, I knew him pretty well by then. We'd been -- I met him years ago when he was a law student, doing a summer internship with Mickey Kantor's law firm out in Los Angeles, long before I ever thought I'd be here and before I ever thought we'd have any other contacts. He just happened to be -- Mickey asked me if I'd speak to his law clerks, because I was in LA to give an education speech, and I went by and visited with them and he was there. And we had been together on many occasions since then.

The thing that struck me was I thought he was -- he said he was glad to be back. And I think he -- he was a very deliberate person, as many people have noticed, about when he would be publicly exposed and all of that. He had his mother's care for having a private life. And I think that he had not -- I'm not sure he had really felt he wanted to come back to the White House before he did. But especially in light of everything that's happened, I'm glad he had the chance to come back here one more time and see the residence and know where he was when he was a little boy. I'm glad he did that. I'm grateful that that happened.

Yes, go ahead. Yes, yes, please.

Q On Colombia, the Pastrana administration are asking the United States for \$500 million to support the military against the guerrillas. Is your administration ready to respond to that request? And, also, the Colombians are asking for more direct intervention from the United States. Are you considering this possibility? And, also, Mexico, you're going to meet with President Zedillo in October. And the Mexican government is still rejecting the extraditions of major drug lords. What are you going to ask him -- you're going to get assurance from him to extradite these big narcotic traffickers to the United States?

THE PRESIDENT: Well, you know, we had no extraditions between Mexico and the

United States for a long time, and we've actually had some now. So we're moving in the right direction. And President Zedillo and I have been pretty successful in continuing to move our relationship in the right direction, so we'll work on that.

On Colombia, I'm not prepared to make any kind of dollar commitment today. But let me say, I have stayed in close touch with President Pastrana, and I admire the fact that he has really thrown himself into trying to end the civil conflicts in Colombia, to stop the insurgency. The people in the United States have a real interest in that because I think that until the civil discord in Colombia is brought to an end, it is going to be much, much harder for us to restrain the activities of the narco-traffickers there, and their reach.

So, in addition to wanting a neighbor and a democracy in Latin America to be free of the kind of violence and heartbreak that the Colombian people have undergone because of this, it is also very much in our national security interest to do what we can, if we can be helpful in ending the civil conflict so that Colombia can be about the business of freeing itself of the influence of the narco-traffickers in ways that would be good for Colombians and good for us as well.

Q Another question about the presidential race. Aside from asking George W. Bush to come forward and give specifics on the issues that you mentioned, could you tell us what you find objectionable about his trying to present a new moderate face for his party, just like you did for the Democrats? And could you tell us whether you're worried whether he will figure out how the Republicans can occupy the center of American politics?

THE PRESIDENT: No.

Q You don't think he can?

THE PRESIDENT: No, no, I don't think I'll answer those questions. (Laughter.) I will say -- no, look, let me say again, I wouldn't even agree with the characterization you gave of my first answer.

When I ran for President, in 1991, the first thing I did was tell the American

people what I thought was going on in our country and what I would do. And if you remember, the late Senator Paul Tsongas and I were actually almost ridiculed at the time because we both put out these very detailed plans of what we would do. If you go back and get one of those plans now, you'll see that virtually everything we said we'd do we did do, except for the things we tried to do and were defeated on.

And my view is that there are a lot of things that count in a presidential election toward a successful presidency, but it is -- that go beyond specific issues, and judgment plays a role in it, and crises will always come up and things can be learned and all that. But it really matters where you stand on the big issues that everybody knows about that are going on right now, and it matters where we're going in the future.

So that's the only point I want to make. And I think any -- I would say that applies to every candidate. I don't want to answer the questions you ask me because that's not my job. My job is not to handicap this horse race, not to comment on it, not to comment on the candidates. My job is to work for the American people. But I'm going to answer these questions from the point of view of Joe Citizen. That's -- every political question you asked me from now on, I'm going to pretend that I'm living back in Little Rock already and I'm working on my presidential library and I'm sitting here as a voter saying, where do they stand, what will they do -- all of them. And I do believe the Vice President has done the best job of telling the American people what he would do and -- to go back to Susan's formulation -- how he would change the country in a positive way.

George.

Q Mr. President, as the nation has celebrated the 30th anniversary of the moon landing, a lot of the former astronauts have lamented that no President after Kennedy set a kind of national goal like President Kennedy did of landing on the moon. Do you think that -- in your view, is the country not receptive today to that kind of goal-setting by a President, or is it something a President should do, set a goal of landing on Mars?

THE PRESIDENT: Well, we are planning to land on Mars. But I think -- for one thing, when I became President, the space program was actually in peril. And we

-- the space station was certainly at risk. And I have fought for it and I believe in it. And one of the things I talked to -- Neil Armstrong and Buzz Aldrin and Michael Collins were in to see me yesterday, and we talked about where we could go with this. And Dan Goldin was there, the NASA Administrator; and Dr. Neal Lane, my Science Advisor. And we talked about how we could use the coming of the millennium as -- you know, the First Lady sponsored all these other lectures here. And I told him about Stephen Hawking's lecture and what he said. And we talked yesterday about how we could set some goals for the space program, capture the imagination of the American people and broaden the support for it.

And one of the things that I suggested that I think would be quite helpful that we're going to work on now is what we can do to dramatize for the American people -- you mentioned Mars, but I think what is more likely to capture the imagination of the American people are the benefits to us here on Earth of continued advances in space. And some of them, particularly in the health field, are likely to be breath-taking. They're principally in the area of the environment and health.

So I asked our people to start working on that and they said they would be willing to help us. I have to tell you that it was a great day for me yesterday to have them come by the White House. They also gave me a moon rock, by the way -- but only on loan. (Laughter.) And the moon rock is 3.6 billion years old. So when I feel very tired, I'll look at it and feel young again. (Laughter.)

Yes, go ahead. We had an Irish question first, I promised. Go ahead, what's the Irish question?

Q Thank you, sir. Given the --

THE PRESIDENT: You want to ask one, too?

Q We both have a -- given the various meetings underway with Mo Mowlam here, and George Mitchell there, has any progress been made on the Irish situation? And is one side more to blame than the other on it?

THE PRESIDENT: Okay. Why don't we take both Irish questions at once. What's your Irish question?

Q Last week, you seemed to kind of get fired up when you were talking to the teenagers from Colorado. You said that the politicians in Northern Ireland were behaving akin to school children. Do you feel, after all the work that you've done on this project, that perhaps it was misplaced and you should have perhaps pushed in a place more like Africa, where they have thousands of people dying from ethnic strife, instead of 3,500 over 30 years?

Q And if I can have a third Irish question, what role, if any, do you expect to play, Mr. President, in breaking the deadlock?

THE PRESIDENT: Okay, let me answer the Irish questions, then I'll come back to the "should we have done something else."

I've talked to Senator Mitchell, and he is willing to spend some time -- he can't go back full-time for another year or two, but I'd like to put this in some -- at least I'd like to tell you how I look at it.

Obviously, I am very disappointed at the breakdown of the process here. But I do think it's important to note that neither side wants to abandon the Good Friday Agreement. And that's very important. It's also important to note that everybody agrees on what their responsibilities are and what the other side's responsibilities are, and everybody agrees that it all has to be done by a date certain.

So they have agreed to break out the two areas causing problems, the decommissioning and the standing up to the executive, and try to figure out how they can unlock that, and Mo Mowlam, as you pointed out, is working hard on it, and they've asked Senator Mitchell to come back and do some work on it, and my instinct is that it will be resolved.

Now, let me say in terms of your characterization, here's the problem. To the outsiders -- I told the parties that to the outsiders -- no one, none of us outside, even somebody like me that's been so involved in this, no one will understand if this thing breaks down over who goes first; that that did sound like the kind of argument that young people have, you know -- who goes first.

Underneath that, there's something deeper: The Protestants are afraid that

they IRA will never disarm if they let the Sinn Fein go into the executive branch, and the IRA do not believe -- since the agreement did not require decommissioning as a condition of getting into the executive branch, they don't want to have to spend the rest of their lives being told that it wasn't the vote of the people, it wasn't the Good Friday Accord, it was what the Unionists and Great Britain did to force them to give up their arms that got them to disarm. They believe that would, in effect, require them to disavow what they've done for 30 years.

And what they're saying is, when we surrender our arms, we're surrendering to our people. Our people voted for this. We are surrendering to the will of the people that we represent. So when you put it in that textured way on both sides, it makes it clear why it becomes a difficult issue. And I can't think of anybody better to try to work through it than George Mitchell, because he's got it all in his head and he's put three years into it. But my instinct is that we will get this worked out.

Now, you asked about did I think we had misplaced our energies. I don't think so. We have -- for one thing, we don't have a stronger partner in the world than Great Britain, and for another, we don't have a bigger ethnic group in America than the Irish, and we're tied by blood and emotion to the Irish struggle.

I also think that it has enormous symbolism, beyond the size of the country and the number who have died. And if it can be resolved, I think it will give great impetus to the forces of peace throughout the world. So I don't believe for a moment we made a mistake.

But let me also say I think we should be more involved in Africa and I've tried to involve us more in Africa. I did everything I could to head off that civil war between Ethiopia and Eritrea. It's not a civil war, they are two separate countries, but they once were together and they're basically now arguing over the divorce settlement. And I don't mean to trivialize it in that characterization. And we are still actively involved in trying to stop that.

Reverend Jackson played a significant role in trying to end the awful carnage in Sierra Leone, and I'm very grateful for that. We're now working, and we're able to work with Nigeria to try to stabilize the region. We are training

African militaries and the Africa Crisis Response Corps, so that we can, hopefully, prevent further carnage. So I believe the United States should be more involved in Africa.

And, of course, the announcement that the Vice President made on our behalf the other day of our new AIDS initiative in some ways may be the most important thing we can do to save lives there.

So I agree that we should be more involved. But I don't agree that we misplaced our energies in Ireland. I'm proud of every late-night phone call and every frustrating hour I've spent on it.

THE PRESIDENT: Yes, go ahead.

Q -- can I ask about you --

THE PRESIDENT: Well, I don't want to talk about me.

Q Oh, come on.

THE PRESIDENT: I'm not a candidate for anything.

Go ahead, what? Go ahead. All right, one more.

Q Listen, Mr. President, with due respect, in another development, I know that you are for Africa, and you know that I support -- Africa, my friend, the President of the Dominican Republic -- we are Afro-Latino. But I am not concerned at this moment about Mars. I am concerned about place where I have been for 20 years, the White House, that is going to celebrate 200 year next year. I wonder if you would tell the people of the United States what you are going to plan for that big celebration?

And another thing, Mr. President -- I am disgusted with you -- you have been hiding something extraordinary -- the performance -- or the trade promotional coordinating committee that has been carried out in the last year -- are the participants in the prospective of this economy. Why don't you speak about the success of that initiative? It's a sin that you -- you talk about a lot of

things that is -- another thing that is good for America and the world.

THE PRESIDENT: Well, a lot of the things that are good for America don't make good news for them, you see.

Q And I have a follow-up. (Laughter.)

THE PRESIDENT: No, let me just say -- (laughter) -- a follow-up? (Laughter.) Now, that's really good. That is really -- Oh, God, is that good.

Let me just say that we will have a lot of celebrations of the 200th birthday of the White House next year, and it's neat that coincides with the first year of the new century and the millennium. So we'll have -- I'm not prepared to announce them yet, because I want others who deserve more credit than I do to be able to do that. But it will be a signal honor for us to be living here in that year, and we'll be able to do a lot -- and I hope we'll have even more American citizens coming to the White House next year to be a part of it.

Go ahead. Just that follow up -- that showed a lot of guts. (Laughter.) If this is a follow up, I'll give you another question. (Laughter.)

Q Sir, you've stressed that you have plenty to do, and yet for some time, your political career has enjoyed the benefits of support from two people in particular -- the Vice President and the First Lady -- two people who are now in a position to expect some support from you. I'm wondering what you feel you owe those two people in terms of political support, and as you plan your schedule in the weeks and months ahead, how you'll balance that assistance against your job as President, and finally, how you personally are adjusting to what people might think is an interesting shift in role.

Q I have a follow-up to his question. (Laughter.)

THE PRESIDENT: Now, I believe that. (Laughter.)

Well, I will do whatever I'm asked to do, basically. I'll try to be helpful. And if I can be helpful, I will be. But I think the best thing I can do for anyone who generally shares our ideas, is part of our party, trying to move the

country forward, is to continue to be a good President and take care of our country.

But I don't mind hard work and I don't mind long hours, and I find myself, apparently unlike some of my predecessors -- but just read what you all say about it -- but I don't feel myself winding down, I feel myself keying up. I want to do more. I want to try to make sure that I give the American people as much as I can every day. So I've got plenty of energy and I'll do whatever I'm asked to do.

I owe them a great deal. I think Al Gore -- everybody in this room knows that he's had far more responsibility and gotten more done than any Vice President in history. Nobody's ever had a role that even approximates that. I don't think the American people know that yet, but I know that. And he deserves a lot of credit for what he's done and he has my friendship and my support. But I also think that it's a mixed blessing, as you say, because people want to see any Vice President out there on his own. If you go back and look at where Richard Nixon was in 1959, you will see the same sort of thing. So I think I see this as a rhythmic process.

I think he'll do fine. But the reason I think that has nothing to do with the questions you ask me. The reasons I think that are, A, he's a good man with a good record, but most importantly, he's out there telling the American people how he would change the country for the better. And I think that's important.

I did an interview and I talked about Hillary and this -- if she decides to do this I will do whatever I can do. And if she's successful I will happily go to the Senate spouses meeting if that's part of the job. I have never known anybody who didn't run for office who was a more effective, more consistently committed, completely passionate public citizen than her. So if she decides to do it, and if the people of New York decide that they want her to do it, that's a decision for them to make and they have to deal with that, and she's trying to deal with that, you know, the whole question of moving there.

It is true that shortly after we came here I said, you get to decide where we live from now on for the rest of our lives. And she said, I want to go to New York -- in, like, '93. This is just something that happened later. So I'll be

dividing my time between home -- I'm going to go home and build my library and build my center -- I'll divide my time between there and New York, whatever she does about this Senate race.

But if I can help her in any way, I will, because I think it would be a great thing for the country -- not only because of what I owe her, because she just -- what she knows and how she's lived and what she's done. I mean, it's very unusual to find somebody like that who has that much knowledge and background and passion all packed into one place. I mean, I know that you think I'm a biased observer, but I think I could support it with evidence.

Go ahead, Bill.

Q In that same vein, sir -- (laughter) -- as the spotlight shifts from you to your Vice President and to your wife, are you likely to be content, drifting slowly offstage, or do you think that someday you will want to run for office, some office again? Or are you willing to tell us this afternoon, sir, that you will never again run for elective office?

THE PRESIDENT: I don't have any idea. (Laughter.) Really, I don't know. Let me just say this. I love this job. I love it. Even on the bad days -- you can do something good for the country, you can do something good for the future. I have loved doing this. And I have given it every ounce of my energy and ability and judgment. And I feel very fortunate. But we have a system that I, frankly, agree with, even though I'm in pretty good shape -- we have a system that says a President gets two terms and then the President has to go find something else to do with his life. And there are lots of other worthy things to do.

And I was a very happy person before I became President. I never have had any trouble finding something interesting to do that I believed in. And I will do my best to use the opportunity and the gift the American people gave me to serve in this position to be a useful citizen of my country and the world for the rest of my life, and I have no doubt that there will be some way I can do that. And I'm, frankly, kind of excited about it. I mean, it's a new challenge. I'll have to think in a different way and do a different way.

Will I miss a lot of the things about this job? Yes. I'll even miss all of

you, believe it or not. But I'm just grateful that I've had the chance to serve and that the results have been good for our people and for our country and I think for the world.

And, you know, that's part of life. Life has its rhythms. And the people that are most satisfied and most happy in life take the rhythms of life and make the most of them, instead of sitting around moping and wishing the rhythms were something other than they are. That's just not the way the life works. And, listen, I'm way ahead and I'm very grateful.

Thank you very much.

END

3:45 P.M. EDT