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Folder Title:

North Korea

Staff Office-Individual:

International Economic Affairs-Bruns, James

Original OA/ID Number:

3194

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Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Philip Yun to Stanley Roth, Thomas Hubbard, Charles Kartman, et al at 4:26pm. Subject: Readout of Today's Meeting. (1 page)	11/06/2000	P1/b(1)
002. note	For Gene Sperling from Jay Bruns. (1 page)	11/08/2000	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
International Economic Affairs (James Burns)
OA/Box Number: 3194

FOLDER TITLE:

North Korea

2009-0528-F

vz1505

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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United States Department of State
OFFICE OF THE
Under Secretary of State
for Economic,
Business, and Agricultural Affairs

Washington, D.C. 20520-7512

FAX COVER SHEET

Date: 6 Nov

Pages to follow: 3

TO:

Jay Burns
Bill Kissinger

Telephone _____

Fax: _____

+56 9370 / 456

FROM:

Stephanie Wiley

Telephone: (202) 647-7575

Fax: (202) 647-9763

SUBJECT:

Bill : further to your conversation w/
Bill McGlynn
Jay : Fuji and for Alhanson

DRAFT

**Title IX (Sections 901-911) - Economic Sanctions Reform in
the House Agriculture Appropriations Bill (H.R. 4461)**

This title affects existing sanctions regimes under the Foreign Assistance Act¹, the International Security and Development Cooperation Act², the International Emergency Economic Powers Act (IEEPA) and Section 5(b) of the Trading with the Enemy Act.³ Specifically, absent Congressional approval, 120 days after its date of enactment the measure requires termination of current agricultural and medical sanctions against Cuba, Libya, Iran, the Taliban in Afghanistan, and the Sudan. It would also require approval by the Congress to impose new sanctions to restrict exports of agricultural products and medicine to these countries.

Under the IEEPA or the Trading with the Enemy Act, comprehensive financial/economic sanctions have been levied on Cuba, Libya, Iran, the Sudan, the Taliban, North Korea, Burma, Serbia, the UNITA rebels, and Iraq.

-- We view the sanctions on Serbia, the UNITA rebels, Iraq, and the Taliban as multilateral (in conjunction with the E.U. in the case of Serbia and the U.N. in the case of the UNITA rebels, Iraq and Afghanistan). Thus, all of these sanctions regimes are outside the scope of Title IX -- except for the Taliban. The U.N. sanctions regime aimed at this entity does not encompass agricultural/medical products so the U.S. sanctions are considered to be unilateral in nature.

-- There aren't currently in place any IEEPA/TWEA restrictions on exports of food or medicine to North Korea, Burma, and the UNITA rebels so Title IX would not apply to these countries/entities.

Under the President's spring 2000 Executive Order, many food/medicine transactions already were permitted to go

¹ The FAA is one of several sources of legislative authority for the Cuba trade embargo.

² One source of legislative authority for the control of trade with Libya.

³ With the lapse of the Export Administration Act (EAA), USDOC has, in the interim, operated its export control system under an Executive Order issued pursuant to the IEEPA. The President has on his desk for signature a bill which would reauthorize the EAA until August 2001.

forward to Iran, Libya, and the Sudan if the Commerce Department's Bureau of Export Administration and/or the Treasury Department's Office of Foreign Assets Control (OFAC)) had approved an export license. Under the President's order, over 600,000 tons of corn have been shipped to Libya and lesser amounts to Sudan, and Iran. With respect to Cuba, many businesspeople were granted specific licenses by OFAC for travel to Cuba to negotiate contract terms. The Commerce Department had already licensed several million dollars in sales of medical equipment to Cuba, even before this bill was signed into law. The Act does free up, however, exports of non-food agricultural products which were beyond the scope of the President's order: inter alia, timber, cotton, fertilizer, and tobacco.

Potential Problems

Currently, exports of agricultural commodities, medicine, and medical devices to North Korea and Syria are generally permitted without a license. While Section 906 of Title IX would continue current practice with regard to the Government of North Korea and the Government of Syria, it would require one-year licenses for the export of such goods to entities (such as NGOs) within North Korea or Syria. This represents a stiffening of our sanctions policy with respect to these two countries. As western NGOs like the World Food Program have active distribution programs within North Korea, this issue is of particular concern.

Another problem relates to the Section 908 restriction on any USG assistance for commercial exports to Iran, Libya, Sudan, and North Korea. This provision might prohibit State and USDOC from organizing business trade missions to Pyongyang.

In addition, OFAC and Commerce Department lawyers are looking at whether Section 906 of the Title eliminates agricultural and medical sanctions on specially designated nationals (terrorists), terrorist organizations, narco-traffickers, and narco-trafficking organizations. This issue turns upon how one defines the term "entity" and whether a individual person can be considered an "entity". (The text of Title IX does not explicitly define either of these terms.)

Finally, should the U.N. Security Council lift agricultural and medical sanctions against Iraq, our Iraq sanctions regime would become unilateral as opposed to multilateral.

Title IX would free up the export of agricultural and medical products to Iraq, a result which might be inimical to U.S. foreign policy goals.

Next Steps

As the Act requires the President to terminate existing unilateral agricultural and medical sanctions (with "existing" defined as those in effect 120 days after the date of the bill's enactment), the various agencies must decide upon a mechanism for terminating these sanctions -- e.g., through Executive Order, regulation, or general license.

STATE

2000 NOV -7 P 7:28

WASHFAX RECEIPT
DEPARTMENT OF STATE

B

S/S #

7 NOV '00 19:34

MESSAGE NO. 030878 CLASSIFICATION ~~SECRET~~ No. Pages 1 + COVER
FROM: PHILIP YUN EAP/K 64845 5313
(Officer name) (Office symbol) (Extension) (Room number)
MESSAGE DESCRIPTION EMAIL RE NEC DEPUTIES MTC ON NK

TO: (Agency)	DELIVER TO:	Extension	Room No.
<u>NEC/NSC</u>	<u>JAY BRUNS</u>		<u>331</u>

FOR: CLEARANCE ☐ INFORMATION ☐ PER REQUEST ☐ COMMENT ☐REMARKS: _____

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2009-0528-F

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Agenda

1. Briefing from Ambassador Sherman
2. Potential Areas of Humanitarian Assistance
 - Food aid
 - Other
3. Role of Other Donors and International Organizations

Key Issues

1. Multiyear commitment on food aid
2. Discussion of other humanitarian assistance (medicines, clothing)
3. Third-country contributions on aid, technical assistance, etc. that can be brought under our umbrella
4. Nunn-Lugar type programs
5. Other items

Bruns, Judson L. (Jay) (INTECON)

From: WHSR
Sent: Monday, November 06, 2000 10:00 PM
To: Banbury, Anthony "Tony" N. (MULTI); Bruns, Judson L. (Jay) (INTECON); Christy, Gene B. (ASIA); Cullom, Philip H. (DEFENSE); Duncan, John D. (INTECON); Jarrett, Kenneth H. (ASIA); McCarthy, Mary O. (INTEL); Mclean, Matthew K. (MULTI); Osius, Theodore G. (VP); Pritchard, Charles (Jack) L. (ASIA); Samans, Richard (INTECON); Samore, Gary S. (NONPRO); Smith, Holly M. (ASIA); Tighe, Mary P. (ASIA)
Subject: JAPAN:Japan'sFMOpposesNo

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F6011
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JAPAN: Japan's FM Opposes North Korea's Entry to World Bank, ADB
JP0011070035 Tokyo Jiji Press in English 0303 GMT 07 Nov 00

[FBIS Transcribed Text] Tokyo, Nov. 7 (Jiji Press) -- Japanese Foreign Minister Yohei Kono Tuesday raised opposition to admitting North Korea to such multilateral lenders as the World Bank and the Asian Development Bank.

If North Korea joins those institutions, a lot of money will flow into the hard-line communist nation, a situation that could cause various problems, he said in a security committee meeting of the House of Representatives.

Japan should not support Pyongyang's bid for membership in those lending institutions, Kono said.

Tokyo should first promote its negotiations with North Korea on normalizing their diplomatic relations, he said. [Description of Source: Tokyo Jiji Press in English -- English-language news service of Jiji Press, Ltd., a private press agency]

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