

M S M a i l

DATE-TIME 19 September 95 19:09

FROM Wozniak, Natalie S.

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SUBJECT Daily Guidance Update [UNCLASSIFIED]

TO

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Please review and forward your **BOLDED** updates to @PRESS by 10:00 a.m.
Wednesday, September 20. Thanks.

[[SEP19GUI.DOC : 4895 in SEP19GUI.DOC]]

**ATTACHMENT
FILE DATE**

19 September 95 19:8

**ATTACHMENT
FILE NAME**

SEP19GUI.DOC
FOREIGN AFFAIRS GUIDANCE

September 19, 1995

Bosnia/Croatia

U.S. French Nuclear Cooperation

Visit of CWC Preparatory Commission Officials to Washington

Conventional Armed Forces in Europe (CFE) Treaty

Iran Sanctions: D'Amato Bill

Russia

Ireland

Somalia: Aideed Seizes Baidoa

China

Haiti Elections

Cuba -- New Foreign Investment Law

Israeli-Palestinian Peace Process

Iraq

Kashmir

Export Control Reform: Computers

BOSNIA/CROATIA

Air Strikes

ù Last Thursday, NATO and UN commanders suspended air operation for 72 hours to monitor Serb compliance with their commitments to meet the UN/NATO conditions.

ù On Sunday, a further 72-hour pause was announced in view of the fact that the Serbs had withdrawn a substantial number of their heavy weapons from the exclusion zone and had allowed the opening of the Sarajevo airport and routes into the city.

ù The deadline for complete withdrawal of the heavy weapons is 4:00 p.m. Wednesday EDT.

ù UN spokesmen indicate that the Serb withdrawal is continuing, and that convoys and UN flights continue to reach Sarajevo without any difficulty.

ù The Bosnian Serbs should have no doubt, however, that NATO will resume the strikes if they do not follow through on their commitments, or if they resume attacks on Sarajevo or the other safe areas.

ù As the President said, Serb acceptance of the terms of the agreement is the direct result of the steadfastness displayed by the members of the NATO Alliance in carrying out decisions to protect the safe areas, along with the close cooperation between UN and NATO commanders throughout the operation.

ù It also reflects intensive diplomatic efforts by Dick Holbrooke and the rest of the U.S. negotiating team, reinforced by the efforts of the Russians and our other European partners.

ù If the Bosnian Serb commitments are fully carried out, this should give further impetus to our common search for a lasting political settlement to the Balkan conflict, building on the September 8 agreement on "basic principles" of a settlement by the Foreign Ministers of Bosnia, Croatia and Serbia.
If the Bosnian Serbs don't comply, air strikes will resume.

ù (If asked) While Bosnian Serb compliance was not conditional on Bosnian Government actions, the Bosnian Government continues to abide by its pledge of 10 days ago that it would refrain from offensive actions in and around Sarajevo.

GoBH/Croatian Offensive toward Banja Luka

ù We have told the Bosnian and Croatian governments that military moves that risk drawing the Serbs into the conflict are very risky and unwise, and could lead to increased suffering for the civilian population. We believe all sides should refrain from offensive action.

ù We welcome the statement by Croatian President Tudjman that Croat forces have been ordered to end offensive action in Western Bosnia and will not attack Banja Luka..

Will the Bosnian Offensive Derail U.S. Diplomatic Efforts?

ù It would be inappropriate to speculate on the implications for the negotiations of the latest shifts on the ground.

ù We continue to believe that this conflict will not be settled on the battlefield, and that all parties should redouble their efforts to arrive at an early diplomatic solution. That remains the goal of the Holbrooke mission.

ù Holbrooke and his delegation are in Zagreb and Belgrade today for discussions with the parties. They will return to Washington for consultations in the next few days.

Geneva Meeting

Important progress was made at the September 8 Geneva meeting between the foreign ministers of Bosnia, Serbia and Croatia, and Contact Group representatives. Ambassador Holbrooke and EU negotiator Carl Bildt co-chaired the meeting.

-- In specific, the three foreign ministers announced they had agreed to basic principles for further negotiations toward final settlement. The principles are the following:

-- For the first time, all agreed that Bosnia-Herzegovina will continue as a single state, with its present borders, and with continuing international recognition.

-- Consistent with the Contact Group plan, all three agreed that under the terms of a settlement, Bosnia-Herzegovina will consist of two entities: the Federation established under last year's Washington Agreements, and a Bosnian Serb republic.

-- The 51-49 parameter of the Contact Group's territorial proposal will be the basis for a settlement, subject to any adjustments the parties make by mutual agreement.

-- The two entities will have the right to establish relationships with neighboring states, but new relationships must be consistent with the sovereignty and territorial integrity of Bosnia-Herzegovina.

-- The parties have pledged to adhere to human rights standards, to ensure freedom of movement and the right of the displaced to return to their homes, and to collaborate on joint economic projects that will promote transportation links and communications among all of Bosnia's peoples.

-- As the President said, this is an important milestone on the path to peace.

(If asked whether the new diplomatic effort divides Bosnia)

-- We have not partitioned Bosnia, nor do we intend to.

-- It cannot be emphasized too strongly that according to the Geneva agreements, Bosnia-Herzegovina remains a single state, retaining its seat in international organ
izations and its
bilateral diplomatic relations with other countries in the world, including the U.S.

-- I would note President Izetbegovic's statement last week that the Serbs
compromis
ed by
accepting the state of Bosnia-Herzegovina, and the Bosnians compromised by
accepting
a Serb republic.
Izetbegovic further noted that the reason for the compromises was to end the war.
A
ccording to
Izetbegovic, "the world has made clear its support for peace but not for war."

Downed French Pilots

-- We have no confirmation of the Bosnian Serb claim that the pilots are in their
cu
stody.

-- As we have reason to believe the pilots of the plane may be alive, it is inapprop
riate to comment
further.

CORE BOSNIA POINTS

-- From the outset, we have consistently worked to relieve the human suffering in
Bo
snia, contain the war, and
bring about a peaceful settlement. These efforts have saved many lives, brought
an
end to the fighting between
Muslims and Croats through the formation of the Bosnia-Croat Federation, and
prevent

ed the war from spreading.

However, as we all know, the fighting continues and peace has been tragically elusive in Bosnia.

-- We are now at an important moment in the history of the Bosnian conflict. The events of the last few weeks changed the situation on the ground in Bosnia and presented the sides with opportunities to settle that could disappear rapidly.

-- There is still the possibility of another path -- toward an end to fighting through a strengthened UN operation on the ground and aggressive pursuit of a new diplomatic solution. This is an opportunity we continue to try to take advantage of.

-- Over the last few weeks we have worked with our allies to strengthen the United Nations operation by supporting the Rapid Reaction Force and providing for the protection of safe areas by the threat of aggressive use of NATO air power.

-- We are now working closely with our allies on the prospect for a new diplomatic effort. There are no guarantees -- but we are determined to present the parties with a chance to reassess and pursue a peaceful settlement.

Have you retreated from troop commitments upon settlement? (Aug. 28 WP p. 24)

-- No.

-- We have long said we would be willing to participate in a NATO-led effort, under

previously-specified conditions, to help implement a viable peace settlement.

Are You considering fewer troops?

-- The number of troops we would consider devoting to settlement implementation would depend on the nature of the settlement package.

Are you presenting a U.S. map/Have you ceded Goradze to the Serbs

-- We are discussing a number of ideas, including some notions on territorial issues

-- We are not presenting a U.S. map, nor are we insisting on any particular territorial trades.

Did the Bosnians reject our plan out of hand?

-- No.

Mini Marshall plan?

-- Certainly, a major reconstruction effort would need to follow any peace settlement.

-- Hope the international community would be prepared to assist in that effort.

Haiti or Cyprus model?

-- Avoid such comparisons.

-- Any plan would be specific to the needs in Balkans.

Hasn't U.S. leadership in Bosnia failed?/What is new about the current initiative?

-- American diplomacy has had several notable successes: creation of the Federation and ending the fighting in Central Bosnia; stabilizing Macedonia; ending the siege of Sarajevo; containing the conflict; the new constitutional arrangements, and yesterday's agreement on Sarajevo.

-- New elements aiding our current efforts: recent developments on the ground, coup led with general war-weariness, have created new opportunities to break long-standing diplomatic logjams.

Give up on multi-ethnic Bosnian state?

-- No. Continue to support maintaining Bosnia within internationally recognized borders

ders.

-- Supported Federation, combined Croat-Muslim enterprise.

Croatians engaged in ethnic cleansing?

-- Refugee flow is human tragedy and we are actively supporting efforts of international relief agencies.

-- Have been reports of abuses. We strongly condemn all violations of the rights of civilians, prisoners of war and international personnel.

-- We have repeatedly stressed to the Croatian government its obligation to respect these rights; to investigate allegations of human rights abuses, and to hold accountable those responsible.

-- Also urged government of Croatia to provide assurances to all Serbs in the Krajina, and to those who fled, that they are welcome to stay and return. Importance of allowing international monitors (ICRC) to assure rights of Serbs are respected. Croatian government has agreed.

-- It is not clear whether the Croatian government's actions in Krajina amount to a systematic policy of ethnic cleansing -- a deliberate and organized strategy of force and intimidation to drive all members of an ethnic group from their homes to "purify" the area. But clearly, serious abuses have occurred and we condemn any acts that force anyone to leave because of ethnicity.

-- We will continue to monitor the situation closely and hold the Croatians to the same standards as the Serbs and others in this conflict.

Shattuck report on atrocities

[Assistant Secretary of State John Shattuck confirmed reports of egregious human rights violations committed by Bosnian-Serb forces in the aftermath of their attack on Srebrenica and Zepa..]

-- We continue to condemn the policy of ethnic cleansing. We continue to call for international access to all those detained and displaced, and for a full accounting of the whereabouts of those missing. We will continue to urge all parties in the former Yugoslavia to respect human rights and international humanitarian law.

-- Ambassador Albright presented information we have on atrocities to the U.N. Security Council.

-- At our urging, the U.N. Security Council has adopted resolutions condemning crimes on all sides, highlighting Bosnian Serb atrocities against refugees from Srebrenica and Zepa.

-- There must be justice, and those who have violated international humanitarian law must be held accountable. We will continue to work with the International War Crimes Tribunal and urge that it prosecute those suspected of war crimes, crimes against humanity and genocide. Such criminal actions must not and will not remain unpunished.

What about Kosovo?

-- We have told Belgrade we believe major resettlement of Krajina Serbs in Kosovo is potentially very provocative.

-- Before the "FRY" can be integrated into the world community, a solution must be found to the

situation in Kosovo.

Second-level ethnic cleansing in Sandzak, Vojvodina

-- We have urged Serbian authorities to enforce laws preventing the eviction of ethnic minorities from their homes in the aim of making room for Krajina refugees.

U.S. relief to Krajina Serbs

-- We support efforts of international relief agencies, and have called for comprehensive, direct relief to all those in need.

Reconstruction aid

-- The U.S. has consulted with the EU on the size and shape of an economic reconstruction effort, should a peace settlement be achieved.

-- The Spaniards, in their EU presidency capacity, have agreed to take the lead in planning for the effort. We are consulting with Congress on what the U.S. might be prepared to provide.

-- We expect the effort to include reconstruction assistance, IFI debt relief, humanitarian aid and encouragement of regional economic interdependence in terms of trade and other economic activities.

U.S. - FRENCH NUCLEAR COOPERATION

Q: Do you have any comment on the September 19 Washington Post article on U.S. - French nuclear cooperation.

A:

ù As NSC Senior Director Bell confirmed in an on the record press briefing on August 11, we have had and continue to have a cooperation program with France in the nuclear area.

ù The program with France is not intended to help France conduct nuclear tests. As the President has made clear, the United States regrets continued French nuclear testing.

ù Our program with France is designed to help ensure the safety and reliability of existing nuclear weapons under a true zero yield Comprehensive Test Ban (CTB) Treaty and not to aid the development of new nuclear weapons.

ù In this regard, we take note of President Chirac's strong commitment to sign a CTB Treaty banning all nuclear tests regardless of level no later than the fall of 1996.

[If asked: Has the United States offered to cooperate with France on nuclear simulation]

ù Yes. Again, this effort is focused on maintaining the safety and reliability of existing nuclear weapons under a zero yield CTB Treaty. There is no cooperation planned or envisioned to aid the development of new nuclear weapons.

[If asked about French overflights of the United States to the Mururoa test site]

ù Under the code of federal regulations, governments requesting overflight clearance are required to specify whether any hazardous materials are on board the aircraft.

ù We have granted overflight clearance to several French military missions to Mururoa in 1995.

ù The French informed us of the presence of small arms and ammunition on board one of their aircraft. The French did not indicate that hazardous materials -- which would include toxic chemicals,

explosive devices, and radioactive material -- would be transported on board any of the other aircraft.

[If asked whether the overflight of U.S. territory of aircraft transporting plutonium is prohibited by law]

ù The overflight of U.S. territory by aircraft transporting plutonium in any form from a foreign country to a foreign country is prohibited by Public Law 100-203 (1987), the "Murkowski Amendment."

VISIT OF SENIOR CHEMICAL WEAPONS CONVENTION PREPARATORY COMMISSION OFFICIALS TO WASHINGTON

VISIT OF SENIOR CHEMICAL WEAPONS CONVENTION PREPARATORY COMMISSION OFFICIALS TO WASHINGTON

-- Three senior officials from the Chemical Weapons Convention Preparatory Commission will be in Washington this week to discuss the status of U.S. efforts to ratify the international treaty outlawing chemical weapons -- the Chemical Weapons Convention (CWC).

-- Yesterday they met with the National Security Adviser, the Secretary of State, and the ACDA Director; today they will meet with the Chairman of the JCS and the Acting Secretary of Defense. They will also be meeting with members of the Senate Foreign Relations Committee and their staff.

-- The CWC has enjoyed strong bipartisan support, having been negotiated by President Reagan, completed and signed by President Bush, and submitted to the Senate by President Clinton.

-- The President sees CWC ratification and entry into force as a key element of his

nonproliferation policy and an urgent next step in stemming the spread of weapons of mass destruction, following the successful NPT Extension Conference.

-- That is why he welcomed the Senate amendment adopted on September 5 calling for prompt ratification of the CWC and the START II treaty and urged the Senate to provide its advice and consent to ratification before the end of this session.

IF ASKED whether Senator Helms is holding CWC hostage to the State Department reorganization plan:

-- Our dialogue with Senator Helms on that issue is continuing. Meanwhile, we have made clear for many months and will continue to make clear that the President believes that it is crucial for the Senate to complete action on the CWC (and START II) this year.

IF ASKED why the Administration hasn't done more to get CWC ratified:

-- This Administration has made clear, through its words as well as its actions, that securing CWC ratification and entry into force is one of its highest priorities.

-- Even before the President submitted the CWC to the Senate in November 1993, he pressed the case for prompt CWC ratification and entry into force in his first address to the United Nations.

-- Our most senior officials (the Secretary of State, ACDA Director, JCS Chairman, CIA Director, and DOD Deputy Secretary) all gave strong testimony in support of the CWC last year.

-- In May, former Congressman Martin Lancaster was appointed "Special Advisor to the President and ACDA Director on the Chemical Weapons Convention." Since then,

Lancaster has met with over 90 Senators or their staff to urge ratification.

-- The President has made clear on numerous occasions -- in his State of the Union Address in January, at the Nixon Center in March, at the Air Force Academy in May, and at the 50th Anniversary of the UN in San Francisco in June -- the priority he attaches to the earliest possible CWC ratification and entry into force.

-- The President emphasized the importance of CWC ratification again in his meeting with the Congressional leadership last week.

IF ASKED whether there are any substantive obstacles to CWC ratification:

-- There do not appear to be any substantive obstacles to Senate advice and consent to the CWC. Some issues, such as verification, have been raised recently in the press, but these were dealt with in great detail in the nine Senate hearings and hundreds of questions we answered last year.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

-- The United States and our NATO Allies have for some time been looking at ways to address Russian and Ukrainian concerns about the Treaty's "flank" limits. Last week NATO Allies agreed on a proposal to be presented to Russia and Ukraine. Since the presentation of the proposal has not yet been made, it would not be appropriate to comment on its details.

-- The strategic picture has changed dramatically since the Treaty was signed in 1990. Now,

neither the Warsaw Pact nor the Soviet Union exist and forces once deployed by the U
SSR as far west
as Eastern Germany have been withdrawn to Russia. NATO Allies are looking at ways t
o respond to
those changes, while maintaining the key elements of the Treaty, including its flank
limits.

-- Allies have developed this proposal as part of a broader set of preparations for the CFE Review
Conference, established by the Treaty for May, 1996. Our goal is to preserve the vi
ability of the Treaty,
which remains a cornerstone of European security.

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

-- It is not certain whether Russia will be prepared to negotiate a solution to the flank issue on the
basis of the new NATO proposal. However, we and our Allies continue to reject compl
etely the Russian
idea of an "exclusion zone" in its Caucasus region. There is no basis for such an "exclusion zone" in the
Treaty.

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

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

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

IRAN SANCTIONS: D'AMATO BILL

-- Believe D'Amato proposal tackles important issues, but we have only recently received the text of Senator D'Amato's bill and we will need a chance to explore it further.

-- We look forward to further consultations on this issue with the Congress.

(If pressed on whether Administration formally opposes)

-- As I said, we believe the bill deals with serious issues, but we need time to consider its provisions in greater detail.

RUSSIA

Current Items

Spring 1996 Summit in Moscow

-- As Canadian Prime Minister Chretien announced June 17, G-7 leaders and Russian President Yeltsin agreed in Halifax to hold summit on nuclear safety and security in Moscow in spring 1996.

-- Summit to cover two broad areas: safety of civilian nuclear power and security of nuclear materials. These are areas in which there is already substantial cooperation between U.S., G-7 and Russia. Summit will provide impetus to deepen cooperation.

Embassy Moscow Attack

-- Continue to work with Russian authorities to determine who launched rocket-

propel
led grenade
attack September 13. Security upgraded at Embassy and at consulates in St.
Petersbu
rg, Vladivostok and
Yekaterinburg. Pursuing vigorous investigation.

Belarus Balloon Shoot-down

-- Two U.S. citizens killed September 12 when hot air balloon shot down in
southwest
ern Belarus.
Appreciate President Lukashenko's condolences and creation of high-level
internatio
nal commission to
investigate.

-- Concerned, however, that Belarusian government took 24 hours to notify
Embassy and
that
some Belarusian officials have tried to fix blame on balloon pilots and event
organiz
ers. Reject any attempt
to justify this senseless and tragic incident.

-- Continuing to talk to Belarus about how this incident occurred.

Iranian Oil Swaps

-- As part of our policy of supporting independence and stability of Caucasus and
Ce
ntral Asia
states, USG willing to consider allowing American companies to swap Caspian
oil with
Iran in
short-term while alternative reliable export pipelines are developed. Long-term
ind
ependence of these
states depends on ability to export energy resources.

-- Bottlenecks in Russian pipeline system severely limit ability of Kazakhstan,
Turk
menistan and
Azerbaijan to export oil and gas. No other pipelines currently available.

-- Actively encouraging U.S. companies in region to develop alternative non-
Iranian
options for oil
export, including pipelines through Caucasus to Turkey. That will take time.

Chevron Swap Deal with Iran

-- Chevron has not yet presented license application. We will review all applications on case-by-case basis.

General Items

U.S. Stake in Relationship

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

-- Long-term strategy. Understand transformation underway will be complex, protracted. Struggle going on between those who support reform and those who oppose or fear change. Will be setbacks, like Chechnya. Have to work to make progress on these.

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

Cuts in/Conditions on Bilateral Aid

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

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

Yeltsin's Warning Against NATO Enlargement

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

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

Russian Banking Crisis

-- Good news is that Russian government and Central Bank effectively managed complex

short-term problems. Financial markets have stabilized; no general run on deposits.

-- Expect additional bank closures and consolidations as weaker banks fold. If prudently managed, will strengthen banking system. We encourage Russian to keep working with IMF and World Bank on bank reform, as it is already doing.

Fred Cuny

-- Engaged Yeltsin, Russian officials to secure cooperation on Cuny case. Doing all we can to find out what happened, e.g., sent FBI team. Investigation ongoing.

-- Sympathize with Cuny family's deep sense of frustration. Share Cuny family's commitment to thorough and honest investigation.

-- No confirmed reports on fate of Cuny or the Russians traveling with him.

Chechnya

-- Russians and Chechens signed military agreement on July 30 that inter alia provides for cessation of hostilities, disarmament and stage-by-stage withdrawal of Russian forces.

-- Clashes continue. Implementation of agreement proceeding slowly -- complex and hinders its frequent snags. Situation changing daily.

-- Dispute can only be resolved by negotiated settlement. Urge sides quickly to resolve these issues and move toward political agreement.

Iran Reactor Sale

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

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

IRELAND

U.S. Role

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

-- Sinn Fein President Gerry Adams met with National Security Advisor Anthony

Lake S

eptember

13 for over an hour. The Vice President joined them for part of the meeting.

-- Mr. Lake and the Vice President met last Friday with UK Minister of State for Northern Ireland Michael Ancram.

-- We also remain in touch with the Irish Government and other parties.

-- Contacts with all the parties are continuing. I am not prepared to go into any detail.

U.S. Position

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

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

Comment on Paisley Press Conference

-- Dr. Paisley is incorrect to say that the President's visit to Northern Ireland is in serious doubt. There has been no change in his plans, and in fact he is very much looking forward to the trip.

-- As for the possibility that there could be "serious trouble" during the President's visit, we sincerely hope that he will be welcome in Northern Ireland, where he will be bringing a message of peace and reconciliation.

-- We regret that Dr. Paisley did not accept Mr. Lake's invitation to discuss the situation in Northern Ireland face-to-face.

Comments on Adams Visit

-- In their meeting with Adams September 13, the Vice President and Mr. Lake expressed their satisfaction that Northern Ireland has enjoyed a year of peace, and reiterated that the best guarantee of a just and lasting peace is meaningful dialogue among the parties representing the people of Northern Ireland.

-- Both the Vice President and Mr. Lake said they saw merit in the "twin-track" strategy, establishing an international body to address the issue of decommissioning of weapons, and the importance of a serious discussion of decommissioning.

-- We have had a number of constructive discussions with all parties, including Sinn Fein, over the last week.

-- Those discussions are continuing, and continue to be constructive and productive.

British Stalling on Talks?

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

Position on Decommissioning:

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

Decommissioning a Precondition to Talks:

-- It is up to the parties to resolve the remaining obstacles.

-- We continue to urge all parties to address outstanding issues seriously and flexibly and move to

talks that will lead to a lasting settlement.

(If asked)

-- The President has not said that he favors discussing decommissioning of IRA weapons at new, all-party talks rather than before them. He has said that decommissioning remains an essential element of the peace process, and he has urged the IRA and loyalist paramilitaries to begin to discuss decommissioning seriously.

Background: USA Today of August 28 in its World Roundup says "Clinton, who has thrown his weight behind efforts to end one of Europe's longest guerrilla wars, said in a letter that he favors discussing the decommissioning of IRA arms at new, all-party talks rather than before them." The letter is one the President wrote to former congressman Bruce Morrison in July in which he said "To help heal the wounds of an entire generation of people in Northern Ireland and as part of the peace process, all the parties should have the opportunity to raise issues of concern to them. Thus, I would expect all-party talks to address policing, prisoner issues, decommissioning of weapons and other issues of particular concern to communities and families."

Senator Mitchell to Chair Commission on Decommissioning?:

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

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

Election of new Ulster Unionist Party Chairman

-- David Trimble was elected UUP chairman on September 8.

-- Tony Lake called to congratulate him and to express our hope that he will visit Washington soon.

-- We hope to continue to build on the good relations with the UUP that we enjoyed during Mr. Molyneaux's tenure as party leader.

SOMALIA: AIDEED SEIZES BAIDOA

Q: What is the situation on the ground in Baidoa now?

A: According to available information, on September 19, THE FIGHTING TOUCHED OFF BY

General Aideed and his militia'S seizURE OF the southwestern city of Baidoa HAS CONTINUED. WE UNDERSTAND THAT THE INCREASED FIGHTING AND LOOTING HAVE CAUSED THE SITUATION TO DETERIORATE. We have no further details of the fighting or casualties.

The United States views this as a significant setback to political reconciliation in Somalia.

Q: What will be the fate of aid workers who have been rounded up by Aideed's forces?

Are any Americans being held hostage?

A: We understand that approximately 18 aid workers, working for UN agencies and non-governmental relief organizations (NGOs) are being held at a compound in Baidoa by Aideed's forces.

Our immediate goal is to work for the immediate and safe release of all personnel

WHO ARE
NOW SAID TO BE "UNDER HOUSE ARREST." WE HAVE ASKED
AIDEED TO GUARANTEE THEIR
SAFE RELEASE.

(If Asked): We understand that five American citizens are among those detained.
W
e are in
close contact with the UN and NGO community in Nairobi, Kenya, which serves
as a bas
e for the
organizations which employ these persons.

Q: Does Aideed's seizing of Baidoa signal the beginning of a new offensive and a
ret
urn to violence
in Somalia? What does this forebode for the humanitarian and political situation
in
Somalia?

A: We hope that there will be no further violence in Somalia and that the Somali
peo
ple will return
to peaceful negotiations.

Political reconciliation at the local level was beginning to return in Somalia. Th
is, in turn,
permitted the movement of both locally grown and imported food supplies.

It is too early to predict if this development forebodes a return to increased viol
ence, but it is
not a good sign.

CHINA

CHINA - U.S.

Q: Is the U.S. negotiating a joint communique, with China, as the Wall Street
Journal
reported?

A: No. The Administration has made clear in a variety of ways that there has
been n
o change in

our approach to China. We have maintained a "One China" policy, as have the previous five administrations.

This point has been reiterated on numerous occasions, both public and private. It is explicit in the three joint communiqués already signed with China.

We do not see, therefore, a need for another communiqué, to say the same thing.

The Lee Teng-hui visit was a private and unofficial.

HAITI

Background: The second round of legislative elections as well as some reruns of first round elections (both legislative and local) marred by irregularities were held on September 17. Turn-out was low (probably around 20%) but process was free of violence and far better organized than the first round.

Points

-- As was the case for the first round, the elections held on September 17 were free of violence or intimidation. In light of Haiti's recent history, this is a remarkable achievement.

-- In addition, the management and administration of the September 17 elections were significantly better than those of the first round. Haitian authorities, with the help of the international community, took effective steps to address many of the problems that arose on June 25.

-- Turn-out was low, however. While the reasons for this are unclear, it should be remembered that Haitians have now been to the polls three times in less than three months.

-- Efforts should now turn to the presidential elections which are scheduled for

the
end of 1995.
They will result in the first transition between two democratically elected
Presiden
t's in Haiti's history.

CUBA -- NEW FOREIGN INVESTMENT LAW

-- We have not yet reviewed in detail the text of the new foreign investment law
but
it appears to
offer new opportunities for foreign investors.

-- While this would be a welcome development, it also appears to have serious
limita
tions. Cuban
citizens, for instance, are still barred from investing in property, hiring non-fami
ly employees or forming
small businesses. In addition, foreign investors are required to contract labor thr
ough the Cuban
government, thereby preserving the government's strict economic hold on
individuals.

-- These continuing restrictions significantly limit the scope of the law and indica
te that the Cuban
government is not interested in fundamental changes.

-- These changes are necessary to create incentives to raise Cubans' standard of
liv
ing, improve
Cuba's overall investment climate, and allow individuals essential economic
freedom.

-- As we have indicated, major reforms of the kind that would bring about
fundamenta
l change
could merit a carefully calibrated responses from the United States.

-- Finally, we will continue to urge foreign investors to avoid investing in propert
ies on which U.S.
citizens have claims.

ISRAELI-PALESTINIAN PEACE PROCESS

Q: What is the status of the Israeli-Palestinian peace talks?

A: Both the Israelis and the Palestinians continue to work hard to bridge their differences and have made progress.

We understand that both sides believe they are fairly close to an agreement.

Q: Will there be a ceremony for the parties to sign their agreement in Washington so on?

A: The parties have expressed their desire for a signing ceremony in Washington. As we have said, we are prepared to host a ceremony, once agreement has been reached.

IRAQ

If asked:

Q: Does the United States want to see Saddam Hussein replaced?

A: The Iraqis themselves should decide who leads Iraq. We want to see a stable Iraq that does not represent a threat to its neighbors. We support Iraq's territorial integrity.

As we have said in the past, it is difficult to foresee Saddam remaining in power where Iraq to comply fully with all the resolutions, which he is obliged to do.

Recent events, including the Hussein Kamal defection, tend to reinforce this impression.

But I don't want to speculate on possible succession scenarios. It is up to the Ir

aqis themselves
to determine who should lead them.

KASHMIR

Background: The situation remains unclear and extremely fluid. Contact between the Al-Faran group holding the hostages and the Indian authorities continues to be intermittent and the crisis appears to be building toward a conclusion. Tension in the area continues to mount following a bomb blast in Srinagar this past weekend and troop movements by both India and Pakistan along the line of control (border) that separates them.

Points

- We are encouraged by reports that the hostages are well.
- We continue to work closely with the Indian authorities and hope for the speedy and safe release of the hostages.
- We urge all involved to continue to work cooperatively to secure the release of these innocent men.

EXPORT CONTROL REFORM: COMPUTERS

Q: Is the Administration planning to loosen export controls so that high-powered computers could help our foes build nuclear and other high-tech weapons?

A: We are now reviewing the appropriate levels for export controls on computers. Our

r review will
take all factors into account -- including our strong commitment to
nonproliferation
-- in seeking to
establish a level that advances U.S. interests from a military and economic
standpoi
nt.

When we last revised U.S. computer thresholds, two years ago, we said we
would nee
d to
revisit those levels within about two years. That is what we have been doing.

M S M a i l

DATE-TIME 19 September 95 19:10
FROM Wozniak, Natalie S.
CLASSIFICATION UNCLASSIFIED
SUBJECT September 19 Press Guidance [UNCLASSIFIED]
TO Beardsley, Tyler S.
Reed, George
Woolston, Ann E.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY [[SEP19GUI.DOC : 4896 in SEP19GUI.DOC]]

**ATTACHMENT
FILE DATE** 19 September 95 19:10

**ATTACHMENT
FILE NAME** SEP19GUI.DOC
FOREIGN AFFAIRS GUIDANCE

September 19, 1995

Bosnia/Croatia

U.S. French Nuclear Cooperation

Visit of CWC Preparatory Commission Officials to Washington

Conventional Armed Forces in Europe (CFE) Treaty

Iran Sanctions: D'Amato Bill

Russia

Ireland

Somalia: Aideed Seizes Baidoa

China

Haiti Elections

Cuba -- New Foreign Investment Law

Israeli-Palestinian Peace Process

Iraq

Kashmir

Export Control Reform: Computers

BOSNIA/CROATIA

Air Strikes

ù Last Thursday, NATO and UN commanders suspended air operation for 72 hours to monitor Serb compliance with their commitments to meet the UN/NATO conditions.

ù On Sunday, a further 72-hour pause was announced in view of the fact that the Serbs had withdrawn a substantial number of their heavy weapons from the exclusion zone and had allowed the opening of the Sarajevo airport and routes into the city.

ù The deadline for complete withdrawal of the heavy weapons is 4:00 p.m. Wednesday EDT.

ù UN spokesmen indicate that the Serb withdrawal is continuing, and that convoys and UN flights continue to reach Sarajevo without any difficulty.

ù The Bosnian Serbs should have no doubt, however, that NATO will resume the strikes if they do not follow through on their commitments, or if they resume attacks on Sarajevo or the other safe areas.

ù As the President said, Serb acceptance of the terms of the agreement is the direct result of the steadfastness displayed by the members of the NATO Alliance in carrying out decisions to protect the safe areas, along

with the close cooperation between UN and NATO commanders throughout the operation.

ù It also reflects intensive diplomatic efforts by Dick Holbrooke and the rest of the U.S. negotiating team, reinforced by the efforts of the Russians and our other European partners.

ù If the Bosnian Serb commitments are fully carried out, this should give further impetus to our common search for a lasting political settlement to the Balkan conflict, building on the September 8 agreement on "basic principles" of a settlement by the Foreign Ministers of Bosnia, Croatia and Serbia.

If the Bosnian Serbs don't comply, air strikes will resume.

ù (If asked) While Bosnian Serb compliance was not conditional on Bosnian Government actions, the Bosnian Government continues to abide by its pledge of 10 days ago that it would refrain from offensive actions in and around Sarajevo.

GoBH/Croatian Offensive toward Banja Luka

ù We have told the Bosnian and Croatian governments that military moves that risk drawing the Serbs into the conflict are very risky and unwise, and could lead to increased suffering for the civilian population. We believe all sides should refrain from offensive action.

ù We welcome the statement by Croatian President Tudjman that Croat forces have been ordered to end offensive action in Western Bosnia and will not attack Banja Luka..

Will the Bosnian Offensive Derail U.S. Diplomatic Efforts?

ù It would be inappropriate to speculate on the implications for the negotiations of the latest shifts on the ground.

ù We continue to believe that this conflict will not be settled on the battlefield,

and that all parties should redouble their efforts to arrive at an early diplomatic solution. That remains the goal of the Holbrooke mission.

Mr Holbrooke and his delegation are in Zagreb and Belgrade today for discussions with the parties. They will return to Washington for consultations in the next few days.

Geneva Meeting

Important progress was made at the September 8 Geneva meeting between the foreign ministers of Bosnia, Serbia and Croatia, and Contact Group representatives. Ambassador Holbrooke and EU negotiator Carl Bildt co-chaired the meeting.

-- In specific, the three foreign ministers announced they had agreed to basic principles for further negotiations toward final settlement. The principles are the following:

-- For the first time, all agreed that Bosnia-Herzegovina will continue as a single state, with its present borders, and with continuing international recognition.

-- Consistent with the Contact Group plan, all three agreed that under the terms of a settlement, Bosnia-Herzegovina will consist of two entities: the Federation established under last year's Washington Agreements, and a Bosnian Serb republic.

-- The 51-49 parameter of the Contact Group's territorial proposal will be the basis for a settlement, subject to any adjustments the parties make by mutual agreement.

-- The two entities will have the right to establish relationships with neighboring states, but new relationships must be consistent with the sovereignty and territorial integrity of Bosnia-Herzegovina.

-- The parties have pledged to adhere to human rights standards, to ensure freedom of movement and the right of the displaced to return to their homes, and to collaborate on joint

economic projects that will promote transportation links and communications among all of Bosnia's peoples.

-- As the President said, this is an important milestone on the path to peace.

(If asked whether the new diplomatic effort divides Bosnia)

-- We have not partitioned Bosnia, nor do we intend to.

-- It cannot be emphasized too strongly that according to the Geneva agreements, Bosnia-Herzegovina remains a single state, retaining its seat in international organizations and its bilateral diplomatic relations with other countries in the world, including the U.S.

-- I would note President Izetbegovic's statement last week that the Serbs compromised by accepting the state of Bosnia-Herzegovina, and the Bosnians compromised by accepting a Serb republic. Izetbegovic further noted that the reason for the compromises was to end the war. According to Izetbegovic, "the world has made clear its support for peace but not for war."

Downed French Pilots

-- We have no confirmation of the Bosnian Serb claim that the pilots are in their custody.

-- As we have reason to believe the pilots of the plane may be alive, it is inappropriate to comment further.

CORE BOSNIA POINTS

-- From the outset, we have consistently worked to relieve the human suffering in Bosnia, contain the war, and bring about a peaceful settlement. These efforts have saved many lives, brought an

end to the fighting between Muslims and Croats through the formation of the Bosnia-Croat Federation, and prevent the war from spreading. However, as we all know, the fighting continues and peace has been tragically elusive in Bosnia.

-- We are now at an important moment in the history of the Bosnian conflict. The events of the last few weeks changed the situation on the ground in Bosnia and presented the sides with opportunities to settle that could disappear rapidly.

-- There is still the possibility of another path -- toward an end to fighting through a strengthened UN operation on the ground and aggressive pursuit of a new diplomatic solution. This is an opportunity we continue to try to take advantage of.

-- Over the last few weeks we have worked with our allies to strengthen the United Nations operation by supporting the Rapid Reaction Force and providing for the protection of safe areas by the threat of aggressive use of NATO air power.

-- We are now working closely with our allies on the prospect for a new diplomatic effort. There are no guarantees -- but we are determined to present the parties with a chance to reassess and pursue a peaceful settlement.

Have you retreated from troop commitments upon settlement? (Aug. 28 WP p. 24)

-- No.

-- We have long said we would be willing to participate in a NATO-led effort, under

previously-specified conditions, to help implement a viable peace settlement.

Are You considering fewer troops?

-- The number of troops we would consider devoting to settlement implementation would depend on the nature of the settlement package.

Are you presenting a U.S. map/Have you ceded Goradze to the Serbs

-- We are discussing a number of ideas, including some notions on territorial issues

-- We are not presenting a U.S. map, nor are we insisting on any particular territorial trades.

Did the Bosnians reject our plan out of hand?

-- No.

Mini Marshall plan?

-- Certainly, a major reconstruction effort would need to follow any peaceful settlement.

-- Hope the international community would be prepared to assist in that effort.

Haiti or Cyprus model?

-- Avoid such comparisons.

-- Any plan would be specific to the needs in Balkans.

Hasn't U.S. leadership in Bosnia failed?/What is new about the current initiative?

-- American diplomacy has had several notable successes: creation of the Federation and ending the fighting in Central Bosnia; stabilizing Macedonia; ending the siege of Sarajevo; containing the conflict; the new constitutional arrangements, and yesterday's agreement on Sarajevo.

-- New elements aiding our current efforts: recent developments on the ground, coupled with general war-weariness, have created new opportunities to break long-standing diplomatic logjams.

Give up on multi-ethnic Bosnian state?

-- No. Continue to support maintaining Bosnia within internationally recognized borders.

-- Supported Federation, combined Croat-Muslim enterprise.

Croatians engaged in ethnic cleansing?

-- Refugee flow is human tragedy and we are actively supporting efforts of international relief agencies.

-- Have been reports of abuses. We strongly condemn all violations of the rights of civilians, prisoners of war and international personnel.

-- We have repeatedly stressed to the Croatian government its obligation to respect these rights; to investigate allegations of human rights abuses, and to hold accountable those responsible.

-- Also urged government of Croatia to provide assurances to all Serbs in the Krajina, and to those who fled, that they are welcome to stay and return. Importance of allowing international monitors (ICRC) to assure rights of Serbs are respected. Croatian government has agreed.

-- It is not clear whether the Croatian government's actions in Krajina amount to a systematic policy of ethnic cleansing -- a deliberate and organized strategy of force and intimidation to drive all members of an ethnic group from their homes to "purify" the area. But clearly, serious abuses have occurred and we condemn any acts that force anyone to leave because of ethnicity.

-- We will continue to monitor the situation closely and hold the Croatians to the same standards

as the Serbs and others in this conflict.

Shattuck report on atrocities

[Assistant Secretary of State John Shattuck confirmed reports of egregious human rights violations committed by Bosnian-Serb forces in the aftermath of their attack on Srebrenica and Zepa..]

-- We continue to condemn the policy of ethnic cleansing. We continue to call for international access to all those detained and displaced, and for a full accounting of the whereabouts of those missing. We will continue to urge all parties in the former Yugoslavia to respect human rights and international humanitarian law.

-- Ambassador Albright presented information we have on atrocities to the U.N. Security Council.

-- At our urging, the U.N. Security Council has adopted resolutions condemning crimes on all sides, highlighting Bosnian Serb atrocities against refugees from Srebrenica and Zepa.

-- There must be justice, and those who have violated international humanitarian law must be held accountable. We will continue to work with the International War Crimes Tribunal and urge that it prosecute those suspected of war crimes, crimes against humanity and genocide. Such criminal actions must not and will not remain unpunished.

What about Kosovo?

-- We have told Belgrade we believe major resettlement of Krajina Serbs in Kosovo is potentially very provocative.

-- Before the "FRY" can be integrated into the world community, a solution must be found to the situation in Kosovo.

Second-level ethnic cleansing in Sandzak, Vojvodina

-- We have urged Serbian authorities to enforce laws preventing the eviction of ethnic minorities from their homes in the aim of making room for Krajina refugees.

U.S. relief to Krajina Serbs

-- We support efforts of international relief agencies, and have called for comprehensive, direct relief to all those in need.

Reconstruction aid

-- The U.S. has consulted with the EU on the size and shape of an economic reconstruction effort, should a peace settlement be achieved.

-- The Spaniards, in their EU presidency capacity, have agreed to take the lead in planning for the effort. We are consulting with Congress on what the U.S. might be prepared to provide.

-- We expect the effort to include reconstruction assistance, IFI debt relief, humanitarian aid and encouragement of regional economic interdependence in terms of trade and other economic activities.

U.S. - FRENCH NUCLEAR COOPERATION

Q: Do you have any comment on the September 19 Washington Post article on U.S. - French

nuclear cooperation.

A:

ù As NSC Senior Director Bell confirmed in an on the record press briefing on August 11, we have had and continue to have a cooperation program with France in the nuclear area.

ù The program with France is not intended to help France conduct nuclear tests. As the President has made clear, the United States regrets continued French nuclear testing.

ù Our program with France is designed to help ensure the safety and reliability of existing nuclear weapons under a true zero yield Comprehensive Test Ban (CTB) Treaty and not to aid the development of new nuclear weapons.

ù In this regard, we take note of President Chirac's strong commitment to sign a CTB Treaty banning all nuclear tests regardless of level no later than the fall of 1996.

[If asked: Has the United States offered to cooperate with France on nuclear simulation]

ù Yes. Again, this effort is focused on maintaining the safety and reliability of existing nuclear weapons under a zero yield CTB Treaty. There is no cooperation planned or envisioned to aid the development of new nuclear weapons.

[If asked about French overflights of the United States to the Mururoa test site]

ù Under the code of federal regulations, governments requesting overflight clearance are required to specify whether any hazardous materials are on board the aircraft.

ù We have granted overflight clearance to several French military missions to Mururoa in 1995.

ù The French informed us of the presence of small arms and ammunition on

board one f
light. The French did
not indicate that hazardous materials -- which would include toxic chemicals,
explos
ive devices, and
radioactive material -- would be transported on board any of the other aircraft.

[If asked whether the overflight of U.S. territory of aircraft transporting plutonium is prohibited by law]

ù The overflight of U.S. territory by aircraft transporting plutonium in any form from a foreign country to a
foreign country is prohibited by Public Law 100-203 (1987), the "Murkowski
Amendment
."

VISIT OF SENIOR CHEMICAL WEAPONS CONVENTION PREPARATORY COMMISSION OFFICIALS TO WASHINGTON

VISIT OF SENIOR CHEMICAL WEAPONS CONVENTION PREPARATORY COMMISSION OFFICIALS TO WASHINGTON

-- Three senior officials from the Chemical Weapons Convention Preparatory Commission will be
in Washington this week to discuss the status of U.S. efforts to ratify the international treaty outlawing
chemical weapons -- the Chemical Weapons Convention (CWC).

-- Yesterday they met with the National Security Adviser, the Secretary of State, and the ACDA
Director; today they will meet with the Chairman of the JCS and the Acting Secretary of Defense. They
will also be meeting with members of the Senate Foreign Relations Committee and their staff.

-- The CWC has enjoyed strong bipartisan support, having been negotiated by President
Ronald Reagan,
completed and signed by President Bush, and submitted to the Senate by President Clinton.

-- The President sees CWC ratification and entry into force as a key element of his

nonproliferation policy and an urgent next step in stemming the spread of weapons of mass destruction, following the successful NPT Extension Conference.

-- That is why he welcomed the Senate amendment adopted on September 5 calling for prompt ratification of the CWC and the START II treaty and urged the Senate to provide its advice and consent to ratification before the end of this session.

IF ASKED whether Senator Helms is holding CWC hostage to the State Department reorganization plan:

-- Our dialogue with Senator Helms on that issue is continuing. Meanwhile, we have made clear for many months and will continue to make clear that the President believes that it is crucial for the Senate to complete action on the CWC (and START II) this year.

IF ASKED why the Administration hasn't done more to get CWC ratified:

-- This Administration has made clear, through its words as well as its actions, that securing CWC ratification and entry into force is one of its highest priorities.

-- Even before the President submitted the CWC to the Senate in November 1993, he pressed the case for prompt CWC ratification and entry into force in his first address to the United Nations.

-- Our most senior officials (the Secretary of State, ACDA Director, JCS Chairman, CIA Director, and DOD Deputy Secretary) all gave strong testimony in support of the CWC last year.

-- In May, former Congressman Martin Lancaster was appointed "Special

Advisor to the President and ACDA Director on the Chemical Weapons Convention." Since then, Lancaster has met with over 90 Senators or their staff to urge ratification.

-- The President has made clear on numerous occasions -- in his State of the Union Address in January, at the Nixon Center in March, at the Air Force Academy in May, and at the 50th Anniversary of the UN in San Francisco in June -- the priority he attaches to the earliest possible CWC ratification and entry into force.

-- The President emphasized the importance of CWC ratification again in his meeting with the Congressional leadership last week.

IF ASKED whether there are any substantive obstacles to CWC ratification:

-- There do not appear to be any substantive obstacles to Senate advice and consent to the CWC. Some issues, such as verification, have been raised recently in the press, but these were dealt with in great detail in the nine Senate hearings and hundreds of questions we answered last year.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

-- The United States and our NATO Allies have for some time been looking at ways to address Russian and Ukrainian concerns about the Treaty's "flank" limits. Last week NATO Allies agreed on a proposal to be presented to Russia and Ukraine. Since the presentation of the proposal has not yet been made, it would not be appropriate to comment on its details.

-- The strategic picture has changed dramatically since the Treaty was signed in 1990. Now, neither the Warsaw Pact nor the Soviet Union exist and forces once deployed by the USSR as far west as Eastern Germany have been withdrawn to Russia. NATO Allies are looking at ways to respond to those changes, while maintaining the key elements of the Treaty, including its flank limits.

-- Allies have developed this proposal as part of a broader set of preparations for the CFE Review Conference, established by the Treaty for May, 1996. Our goal is to preserve the viability of the Treaty, which remains a cornerstone of European security.

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

-- It is not certain whether Russia will be prepared to negotiate a solution to the flank issue on the basis of the new NATO proposal. However, we and our Allies continue to reject completely the Russian idea of an "exclusion zone" in its Caucasus region. There is no basis for such an "exclusion zone" in the Treaty.

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

(If asked about statement by Senator Helms staff that Treaty changes are not likely

to be approved "anytime soon":)

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

IRAN SANCTIONS: D'AMATO BILL

-- Believe D'Amato proposal tackles important issues, but we have only recently received the text of Senator D'Amato's bill and we will need a chance to explore it further.

-- We look forward to further consultations on this issue with the Congress.

(If pressed on whether Administration formally opposes)

-- As I said, we believe the bill deals with serious issues, but we need time to consider its provisions in greater detail.

RUSSIA

Current Items

Spring 1996 Summit in Moscow

-- As Canadian Prime Minister Chretien announced June 17, G-7 leaders and Russian President Yeltsin agreed in Halifax to hold summit on nuclear safety and security in Moscow in spring 1996.

-- Summit to cover two broad areas: safety of civilian nuclear power and security of nuclear materials. These are areas in which there is already substantial cooperation between U.S., G-7 and Russia. Summit will provide impetus to deepen cooperation.

Embassy Moscow Attack

-- Continue to work with Russian authorities to determine who launched rocket-propelled grenade attack September 13. Security upgraded at Embassy and at consulates in St. Petersburg, Vladivostok and Yekaterinburg. Pursuing vigorous investigation.

Belarus Balloon Shoot-down

-- Two U.S. citizens killed September 12 when hot air balloon shot down in southwestern Belarus. Appreciate President Lukashenko's condolences and creation of high-level international commission to investigate.

-- Concerned, however, that Belarusian government took 24 hours to notify Embassy and that some Belarusian officials have tried to fix blame on balloon pilots and event organizers. Reject any attempt to justify this senseless and tragic incident.

-- Continuing to talk to Belarus about how this incident occurred.

Iranian Oil Swaps

-- As part of our policy of supporting independence and stability of Caucasus and Central Asia states, USG willing to consider allowing American companies to swap Caspian oil with Iran in short-term while alternative reliable export pipelines are developed. Long-term independence of these states depends on ability to export energy resources.

-- Bottlenecks in Russian pipeline system severely limit ability of Kazakhstan, Turkmenistan and Azerbaijan to export oil and gas. No other pipelines currently available.

-- Actively encouraging U.S. companies in region to develop alternative non-Iranian

options for oil export, including pipelines through Caucasus to Turkey. That will take time.

Chevron Swap Deal with Iran

-- Chevron has not yet presented license application. We will review all applications on case-by-case basis.

General Items

U.S. Stake in Relationship

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

-- Long-term strategy. Understand transformation underway will be complex, protracted. Struggle going on between those who support reform and those who oppose or fear change. Will be setbacks, like Chechnya. Have to work to make progress on these.

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

Cuts in/Conditions on Bilateral Aid

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

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

Yeltsin's Warning Against NATO Enlargement

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

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

Russian Banking Crisis

-- Good news is that Russian government and Central Bank effectively managed complex

short-term problems. Financial markets have stabilized; no general run on deposits.

-- Expect additional bank closures and consolidations as weaker banks fold. If prudently managed, will strengthen banking system. We encourage Russian to keep working with IMF and World Bank on bank reform, as it is already doing.

Fred Cuny

-- Engaged Yeltsin, Russian officials to secure cooperation on Cuny case. Doing all we can to find out what happened, e.g., sent FBI team. Investigation ongoing.

-- Sympathize with Cuny family's deep sense of frustration. Share Cuny family's

com
mitment to
thorough and honest investigation.

-- No confirmed reports on fate of Cuny or the Russians traveling with him.

Chechnya

-- Russians and Chechens signed military agreement on July 30 that inter alia
provid
es for
cessation of hostilities, disarmament and stage-by-stage withdrawal of Russian
force
s.

-- Clashes continue. Implementation of agreement proceeding slowly -- complex
and h
its frequent
snags. Situation changing daily.

-- Dispute can only be resolved by negotiated settlement. Urge sides quickly to
res
olve these
issues and move toward political agreement.

Iran Reactor Sale

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

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

IRELAND

U.S. Role

-- We have had a number of contacts over the last week about how to move the
peace
process

forward.

-- Sinn Fein President Gerry Adams met with National Security Advisor Anthony Lake September 13 for over an hour. The Vice President joined them for part of the meeting.

-- Mr. Lake and the Vice President met last Friday with UK Minister of State for Northern Ireland Michael Ancram.

-- We also remain in touch with the Irish Government and other parties.

-- Contacts with all the parties are continuing. I am not prepared to go into any detail.

U.S. Position

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

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

Comment on Paisley Press Conference

-- Dr. Paisley is incorrect to say that the President's visit to Northern Ireland is in serious doubt. There has been no change in his plans, and in fact he is very much looking forward to the trip.

-- As for the possibility that there could be "serious trouble" during the President's visit, we sincerely hope that he will be welcome in Northern Ireland, where he will be bringing a message of peace and reconciliation.

-- We regret that Dr. Paisley did not accept Mr. Lake's invitation to discuss the situation in Northern Ireland face-to-face.

Comments on Adams Visit

-- In their meeting with Adams September 13, the Vice President and Mr. Lake expressed their satisfaction that Northern Ireland has enjoyed a year of peace, and reiterated that the best guarantee of a just and lasting peace is meaningful dialogue among the parties representing the people of Northern Ireland.

-- Both the Vice President and Mr. Lake said they saw merit in the "twin-track" strategy, establishing an international body to address the issue of decommissioning of weapons, and the importance of a serious discussion of decommissioning.

-- We have had a number of constructive discussions with all parties, including Sinn Fein, over the last week.

-- Those discussions are continuing, and continue to be constructive and productive.

British Stalling on Talks?

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

Position on Decommissioning:

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

Decommissioning a Precondition to Talks:

-- It is up to the parties to resolve the remaining obstacles.

-- We continue to urge all parties to address outstanding issues seriously and flexibly and move to talks that will lead to a lasting settlement.

(If asked)

-- The President has not said that he favors discussing decommissioning of IRA weapons at new, all-party talks rather than before them. He has said that decommissioning remains an essential element of the peace process, and he has urged the IRA and loyalist paramilitaries to begin to discuss decommissioning seriously.

Background: USA Today of August 28 in its World Roundup says "Clinton, who has thrown his weight behind efforts to end one of Europe's longest guerrilla wars, said in a letter that he favors discussing the decommissioning of IRA arms at new, all-party talks rather than before them." The letter is one the President wrote to former congressman Bruce Morrison in July in which he said "To help heal the wounds of an entire generation of people in Northern Ireland and as part of the peace process, all the parties should have the opportunity to raise issues of concern to them. Thus, I would expect all-party talks to address policing, prisoner issues, decommissioning of weapons and other issues of particular concern to communities and families."

Senator Mitchell to Chair Commission on Decommissioning?:

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

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

Election of new Ulster Unionist Party Chairman

-- David Trimble was elected UUP chairman on September 8.

-- Tony Lake called to congratulate him and to express our hope that he will visit Washington soon.

-- We hope to continue to build on the good relations with the UUP that we enjoyed during Mr. Molyneaux's tenure as party leader.

SOMALIA: AIDEED SEIZES BAIDOA

Q: What is the situation on the ground in Baidoa now?

A: According to available information, on September 19, THE FIGHTING TOUCHED OFF BY

General Aideed and his militia'S seizURE OF the southwestern city of Baidoa HAS CONTINUED. WE UNDERSTAND THAT THE INCREASED FIGHTING AND LOOTING HAVE CAUSED THE SITUATION TO DETERIORATE. We have no further details of the fighting or casualties.

The United States views this as a significant setback to political reconciliation in Somalia.

Q: What will be the fate of aid workers who have been rounded up by Aideed's forces?
Are any Americans being held hostage?

A: We understand that approximately 18 aid workers, working for UN agencies and non-governmental relief organizations (NGOs) are being held at a compound in Baidoa by Aideed's forces.

Our immediate goal is to work for the immediate and safe release of all personnel

WHO ARE
NOW SAID TO BE "UNDER HOUSE ARREST." WE HAVE ASKED
AIDEED TO GUARANTEE THEIR
SAFE RELEASE.

(If Asked): We understand that five American citizens are among those detained.
W
e are in
close contact with the UN and NGO community in Nairobi, Kenya, which serves
as a bas
e for the
organizations which employ these persons.

Q: Does Aideed's seizing of Baidoa signal the beginning of a new offensive and a ret
urn to violence
in Somalia? What does this forebode for the humanitarian and political situation
in
Somalia?

A: We hope that there will be no further violence in Somalia and that the Somali
peo
ple will return
to peaceful negotiations.

Political reconciliation at the local level was beginning to return in Somalia. Th
is, in turn,
permitted the movement of both locally grown and imported food supplies.

It is too early to predict if this development forebodes a return to increased viol
ence, but it is
not a good sign.

CHINA

CHINA - U.S.

Q: Is the U.S. negotiating a joint communiqu, with China, as the Wall Street
Journal
reported?

A: No. The Administration has made clear in a variety of ways that there has been no change in our approach to China. We have maintained a "One China" policy, as have the previous five administrations.

This point has been reiterated on numerous occasions, both public and private. It is explicit in the three joint communiqués already signed with China.

We do not see, therefore, a need for another communiqué, to say the same thing.

The Lee Teng-hui visit was a private and unofficial.

HAITI

Background: The second round of legislative elections as well as some reruns of first round elections (both legislative and local) marred by irregularities were held on September 17. Turn-out was low (probably around 20%) but process was free of violence and far better organized than the first round.

Points

-- As was the case for the first round, the elections held on September 17 were free of violence or intimidation. In light of Haiti's recent history, this is a remarkable achievement.

-- In addition, the management and administration of the September 17 elections were significantly better than those of the first round. Haitian authorities, with the help of the international community, took effective steps to address many of the problems that arose on June 25.

-- Turn-out was low, however. While the reasons for this are unclear, it should be remembered

that Haitians have now been to the polls three times in less than three months.

-- Efforts should now turn to the presidential elections which are scheduled for the end of 1995.

They will result in the first transition between two democratically elected Presidents in Haiti's history.

CUBA -- NEW FOREIGN INVESTMENT LAW

-- We have not yet reviewed in detail the text of the new foreign investment law but it appears to offer new opportunities for foreign investors.

-- While this would be a welcome development, it also appears to have serious limitations. Cuban citizens, for instance, are still barred from investing in property, hiring non-family employees or forming small businesses. In addition, foreign investors are required to contract labor through the Cuban government, thereby preserving the government's strict economic hold on individuals.

-- These continuing restrictions significantly limit the scope of the law and indicate that the Cuban government is not interested in fundamental changes.

-- These changes are necessary to create incentives to raise Cubans' standard of living, improve Cuba's overall investment climate, and allow individuals essential economic freedom.

-- As we have indicated, major reforms of the kind that would bring about fundamental change could merit a carefully calibrated response from the United States.

-- Finally, we will continue to urge foreign investors to avoid investing in properties on which U.S.

citizens have claims.

ISRAELI-PALESTINIAN PEACE PROCESS

Q: What is the status of the Israeli-Palestinian peace talks?

A: Both the Israelis and the Palestinians continue to work hard to bridge their differences and have made progress.

We understand that both sides believe they are fairly close to an agreement.

Q: Will there be a ceremony for the parties to sign their agreement in Washington so on?

A: The parties have expressed their desire for a signing ceremony in Washington. As we have said, we are prepared to host a ceremony, once agreement has been reached.

IRAQ

If asked:

Q: Does the United States want to see Saddam Hussein replaced?

A: The Iraqis themselves should decide who leads Iraq. We want to see a stable Iraq that does not represent a threat to its neighbors. We support Iraq's territorial integrity.

As we have said in the past, it is difficult to foresee Saddam remaining in power where Iraq to comply fully with all the resolutions, which he is obliged to do.

Recent events, including the Hussein Kamal defection, tend to reinforce this impression.

sion.

But I don't want to speculate on possible succession scenarios. It is up to the Iraqis themselves to determine who should lead them.

KASHMIR

Background: The situation remains unclear and extremely fluid. Contact between the Al-Faran group holding the hostages and the Indian authorities continues to be intermittent and the crisis appears to be building toward a conclusion. Tension in the area continues to mount following a bomb blast in Srinagar this past weekend and troop movements by both India and Pakistan along the line of control (border) that separates them.

Points

- We are encouraged by reports that the hostages are well.
- We continue to work closely with the Indian authorities and hope for the speedy and safe release of the hostages.
- We urge all involved to continue to work cooperatively to secure the release of these innocent men.

EXPORT CONTROL REFORM: COMPUTERS

Q: Is the Administration planning to loosen export controls so that high-powered computers could help our foes build nuclear and other high-tech weapons?

A: We are now reviewing the appropriate levels for export controls on computers.

Our

review will

take all factors into account -- including our strong commitment to

nonproliferation

-- in seeking to

establish a level that advances U.S. interests from a military and economic

standpoint

point.

When we last revised U.S. computer thresholds, two years ago, we said we would need to

revisit those levels within about two years. That is what we have been doing.

M S M a i l

DATE-TIME 19 September 95 19:21
FROM Harris, Elisa D.
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: Daily Guidance Update [UNCLASSIFIED]
TO Wozniak, Natalie S.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY
attached CWC Prepcom changes should carry you through the end of the week.
can delete after friday. thanks!

[[SEP19GUI.DOC : 4890 in SEP19GUI.DOC]]

From: Wozniak, Natalie S.
To: @NSC - NSC Staff
CC: /R, Record at A1
Subject: Daily Guidance Update [UNCLASSIFIED]
Date: Tuesday, September 19, 1995 07:09 PM

<<Attached File: SEP19GUI.DOC>>

Please review and forward your **BOLDED** updates to @PRESS by 10:00 a.m.
Wednesday, September 20. Thanks.

**ATTACHMENT
FILE DATE** 19 September 95 19:19
**ATTACHMENT
FILE NAME** SEP19GUI.DOC
FOREIGN AFFAIRS GUIDANCE

September 19, 1995

Bosnia/Croatia

U.S. French Nuclear Cooperation

Visit of CWC Preparatory Commission Officials to Washington

Conventional Armed Forces in Europe (CFE) Treaty

Iran Sanctions: D'Amato Bill

Russia

Ireland

Somalia: Aideed Seizes Baidoa

China

Haiti Elections

Cuba -- New Foreign Investment Law

Israeli-Palestinian Peace Process

Iraq

Kashmir

Export Control Reform: Computers

BOSNIA/CROATIA

Air Strikes

ù Last Thursday, NATO and UN commanders suspended air operation for 72 hours to monitor Serb compliance with their commitments to meet the UN/NATO conditions.

ù On Sunday, a further 72-hour pause was announced in view of the fact that the Serbs had withdrawn a substantial number of their heavy weapons from the exclusion zone and had allowed the opening of the

Sarajevo airport and routes into the city.

ù The deadline for complete withdrawal of the heavy weapons is 4:00 p.m. Wednesday E
DT.

ù UN spokesmen indicate that the Serb withdrawal is continuing, and that convoys and UN flights continue to reach Sarajevo without any difficulty.

ù The Bosnian Serbs should have no doubt, however, that NATO will resume the strikes if they do not follow through on their commitments, or if they resume attacks on Sarajevo or the other safe areas.

ù As the President said, Serb acceptance of the terms of the agreement is the direct result of the steadfastness displayed by the members of the NATO Alliance in carrying out decisions to protect the safe areas, along with the close cooperation between UN and NATO commanders throughout the operation.

ù It also reflects intensive diplomatic efforts by Dick Holbrooke and the rest of the U.S. negotiating team, reinforced by the efforts of the Russians and our other European partners.

ù If the Bosnian Serb commitments are fully carried out, this should give further impetus to our common search for a lasting political settlement to the Balkan conflict, building on the September 8 agreement on "basic principles" of a settlement by the Foreign Ministers of Bosnia, Croatia and Serbia.
If the Bosnian Serbs don't comply, air strikes will resume.

ù (If asked) While Bosnian Serb compliance was not conditional on Bosnian Government actions, the Bosnian Government continues to abide by its pledge of 10 days ago that it would refrain from offensive actions in and around Sarajevo.

GoBH/Croatian Offensive toward Banja Luka

ù We have told the Bosnian and Croatian governments that military moves that risk drawing the Serbs into the conflict are very risky and unwise, and could lead to increased suffering for the civilian population. We believe all sides should refrain from offensive action.

ù We welcome the statement by Croatian President Tudjman that Croat forces have been ordered to end offensive action in Western Bosnia and will not attack Banja Luka..

Will the Bosnian Offensive Derail U.S. Diplomatic Efforts?

ù It would be inappropriate to speculate on the implications for the negotiations of the latest shifts on the ground.

ù We continue to believe that this conflict will not be settled on the battlefield, and that all parties should redouble their efforts to arrive at an early diplomatic solution. That remains the goal of the Holbrooke mission.

ù Holbrooke and his delegation are in Zagreb and Belgrade today for discussions with the parties. They will return to Washington for consultations in the next few days.

Geneva Meeting

Important progress was made at the September 8 Geneva meeting between the foreign ministers of Bosnia, Serbia and Croatia, and Contact Group representatives. Ambassador Holbrooke and EU negotiator Carl Bildt co-chaired the meeting.

-- In specific, the three foreign ministers announced they had agreed to basic principles for further negotiations toward final settlement. The principles are the following:

-- For the first time, all agreed that Bosnia-Herzegovina will continue as a single state, with its

present borders, and with continuing international recognition.

-- Consistent with the Contact Group plan, all three agreed that under the terms of a settlement, Bosnia-Herzegovina will consist of two entities: the Federation established under last year's Washington Agreements, and a Bosnian Serb republic.

-- The 51-49 parameter of the Contact Group's territorial proposal will be the basis for a settlement, subject to any adjustments the parties make by mutual agreement.

-- The two entities will have the right to establish relationships with neighboring states, but new relationships must be consistent with the sovereignty and territorial integrity of Bosnia-Herzegovina.

-- The parties have pledged to adhere to human rights standards, to ensure freedom of movement and the right of the displaced to return to their homes, and to collaborate on joint economic projects that will promote transportation links and communications among all of Bosnia's peoples.

-- As the President said, this is an important milestone on the path to peace.

(If asked whether the new diplomatic effort divides Bosnia)

-- We have not partitioned Bosnia, nor do we intend to.

-- It cannot be emphasized too strongly that according to the Geneva agreements, Bosnia-Herzegovina remains a single state, retaining its seat in international organizations and its bilateral diplomatic relations with other countries in the world, including the U.S.

-- I would note President Izetbegovic's statement last week that the Serbs compromised by accepting the state of Bosnia-Herzegovina, and the Bosnians compromised by accepting a Serb republic. Izetbegovic further noted that the reason for the compromises was to end the war. A

ccording to
Izetbegovic, "the world has made clear its support for peace but not for war."

Downed French Pilots

-- We have no confirmation of the Bosnian Serb claim that the pilots are in their
cu
study.

-- As we have reason to believe the pilots of the plane may be alive, it is inappropri-
ate to comment
further.

CORE BOSNIA POINTS

-- From the outset, we have consistently worked to relieve the human suffering in
Bo
snia, contain the war, and
bring about a peaceful settlement. These efforts have saved many lives, brought
an
end to the fighting between
Muslims and Croats through the formation of the Bosnia-Croat Federation, and
prevent
ed the war from spreading.
However, as we all know, the fighting continues and peace has been tragically
elusiv
e in Bosnia.

-- We are now at an important moment in the history of the Bosnian conflict. The
ev
ents of the last few weeks
changed the situation on the ground in Bosnia and presented the sides with
opportuni-
ties to settle that could
disappear rapidly.

-- There is still the possibility of another path -- toward an end to fighting throu-
gh a strengthened UN operation on
the ground and aggressive pursuit of a new diplomatic solution. This is an
opportun-
ity we continue to try to take
advantage of.

-- Over the last few weeks we have worked with our allies to strengthen the
United Nations operation by supporting the Rapid Reaction Force and providing
for th

e
protection of safe areas by the threat of aggressive use of NATO air power.

-- We are now working closely with our allies on the prospect for a new diplomatic effort. There are no guarantees -- but we are determined to present the parties with a chance to reassess and pursue a peaceful settlement.

Have you retreated from troop commitments upon settlement? (Aug. 28 WP p. 24)

-- No.

-- We have long said we would be willing to participate in a NATO-led effort, under

previously-specified conditions, to help implement a viable peace settlement.

Are You considering fewer troops?

-- The number of troops we would consider devoting to settlement implementation would depend on the nature of the settlement package.

Are you presenting a U.S. map/Have you ceded Goradze to the Serbs

-- We are discussing a number of ideas, including some notions on territorial issues

-- We are not presenting a U.S. map, nor are we insisting on any particular territorial trades.

Did the Bosnians reject our plan out of hand?

-- No.

Mini Marshall plan?

-- Certainly, a major reconstruction effort would need to follow any peace settlement.

-- Hope the international community would be prepared to assist in that effort.

Haiti or Cyprus model?

-- Avoid such comparisons.

-- Any plan would be specific to the needs in Balkans.

Hasn't U.S. leadership in Bosnia failed?/What is new about the current initiative?

-- American diplomacy has had several notable successes: creation of the Federation and ending the fighting in Central Bosnia; stabilizing Macedonia; ending the siege of Sarajevo; containing the conflict; the new constitutional arrangements, and yesterday's agreement on Sarajevo.

-- New elements aiding our current efforts: recent developments on the ground, coup led with general war-weariness, have created new opportunities to break long-standing diplomatic logjams.

Give up on multi-ethnic Bosnian state?

-- No. Continue to support maintaining Bosnia within internationally recognized borders.

-- Supported Federation, combined Croat-Muslim enterprise.

Croatians engaged in ethnic cleansing?

-- Refugee flow is human tragedy and we are actively supporting efforts of international relief agencies.

-- Have been reports of abuses. We strongly condemn all violations of the rights of civilians, prisoners of war and international personnel.

-- We have repeatedly stressed to the Croatian government its obligation to respect these rights; to investigate allegations of human rights abuses, and to hold accountable those responsible.

-- Also urged government of Croatia to provide assurances to all Serbs in the Krajina, and to those who fled, that they are welcome to stay and return. Importance of allowing international monitors (ICRC) to assure rights of Serbs are respected. Croatian government has agreed.

-- It is not clear whether the Croatian government's actions in Krajina amount to a systematic policy of ethnic cleansing -- a deliberate and organized strategy of force and intimidation to drive all members of an ethnic group from their homes to "purify" the area. But clearly, serious abuses have occurred and we condemn any acts that force anyone to leave because of ethnicity.

-- We will continue to monitor the situation closely and hold the Croatians to the same standards as the Serbs and others in this conflict.

Shattuck report on atrocities

[Assistant Secretary of State John Shattuck confirmed reports of egregious human rights violations committed by Bosnian-Serb forces in the aftermath of their attack on Srebrenica and Zepa..]

-- We continue to condemn the policy of ethnic cleansing. We continue to call for international access to all those detained and displaced, and for a full accounting of the whereabouts of those missing. We will continue to urge all parties in the former Yugoslavia to respect human rights and international humanitarian law.

-- Ambassador Albright presented information we have on atrocities to the U.N. Security Council.

-- At our urging, the U.N. Security Council has adopted resolutions condemning crime

s on all
sides, highlighting Bosnian Serb atrocities against refugees from Srebrenica and
Zep
a.

-- There must be justice, and those who have violated international humanitarian
law
must be held
accountable. We will continue to work with the International War Crimes
Tribunal an
d urge that it
prosecute those suspected of war crimes, crimes against humanity and genocide.
Such
criminal actions
must not and will not remain unpunished.

What about Kosovo?

-- We have told Belgrade we believe major resettlement of Krajina Serbs in
Kosovo is
potentially
very provocative.

-- Before the "FRY" can be integrated into the world community, a solution must
be f
ound to the
situation in Kosovo.

Second-level ethnic cleansing in Sandzak, Vojvodina

-- We have urged Serbian authorities to enforce laws preventing the eviction of
ethn
ic minorities
from their homes in the aim of making room for Krajina refugees.

U.S. relief to Krajina Serbs

-- We support efforts of international relief agencies, and have called for
comprehe
nsive, direct
relief to all those in need.

Reconstruction aid

-- The U.S. has consulted with the EU on the size and shape of an economic
reconstru
ction

effort, should a peace settlement be achieved.

-- The Spaniards, in their EU presidency capacity, have agreed to take the lead in planning for the effort. We are consulting with Congress on what the U.S. might be prepared to provide.

-- We expect the effort to include reconstruction assistance, IFI debt relief, humanitarian aid and encouragement of regional economic interdependence in terms of trade and other economic activities.

U.S. - FRENCH NUCLEAR COOPERATION

Q: Do you have any comment on the September 19 Washington Post article on U.S. - French nuclear cooperation.

A:

ù As NSC Senior Director Bell confirmed in an on the record press briefing on August 11, we have had and continue to have a cooperation program with France in the nuclear area.

ù The program with France is not intended to help France conduct nuclear tests. As the President has made clear, the United States regrets continued French nuclear testing.

ù Our program with France is designed to help ensure the safety and reliability of existing nuclear weapons under a true zero yield Comprehensive Test Ban (CTB) Treaty and not to aid the development of new nuclear weapons.

ù In this regard, we take note of President Chirac's strong commitment to sign a CTB Treaty banning all nuclear tests regardless of level no later than the fall of 1996.

[If asked: Has the United States offered to cooperate with France on nuclear simulation]

ù Yes. Again, this effort is focused on maintaining the safety and reliability of existing nuclear weapons under a zero yield CTB Treaty. There is no cooperation planned or envisioned to aid the development of new nuclear weapons.

[If asked about French overflights of the United States to the Mururoa test site]

ù Under the code of federal regulations, governments requesting overflight clearance are required to specify whether any hazardous materials are on board the aircraft.

ù We have granted overflight clearance to several French military missions to Mururoa in 1995.

ù The French informed us of the presence of small arms and ammunition on board one flight. The French did not indicate that hazardous materials -- which would include toxic chemicals, explosive devices, and radioactive material -- would be transported on board any of the other aircraft.

[If asked whether the overflight of U.S. territory of aircraft transporting plutonium is prohibited by law]

ù The overflight of U.S. territory by aircraft transporting plutonium in any form from a foreign country to a foreign country is prohibited by Public Law 100-203 (1987), the "Murkowski Amendment".

VISIT OF SENIOR CHEMICAL WEAPONS CONVENTION
PREPARATORY COMMISSION OFFICIALS TO WASHINGTON

VISIT OF SENIOR CHEMICAL WEAPONS CONVENTION
PREPARATORY COMMISSION OFFICIALS TO WASHINGTON

-- Three senior officials from the Chemical Weapons Convention Preparatory Commission will be in Washington this week to discuss the status of U.S. efforts to ratify the international treaty outlawing chemical weapons -- the Chemical Weapons Convention (CWC).

-- Earlier this week, they met with the National Security Adviser, the Secretary of State, the ACDA Director, the Chairman of the JCS and the Acting Secretary of Defense. They will also be meeting with members of the Senate Foreign Relations Committee and their staff.

-- The CWC has enjoyed strong bipartisan support, having been negotiated by President Reagan, completed and signed by President Bush, and submitted to the Senate by President Clinton.

-- The President sees CWC ratification and entry into force as a key element of his

nonproliferation policy and an urgent next step in stemming the spread of weapons of mass destruction, following the successful NPT Extension Conference.

-- That is why he welcomed the Senate amendment adopted on September 5 calling for prompt ratification of the CWC and the START II treaty and urged the Senate to provide its advice and consent to ratification before the end of this session.

IF ASKED whether Senator Helms is holding CWC hostage to the State Department reorganization plan:

-- Our dialogue with Senator Helms on that issue is continuing. Meanwhile, we have made clear for many months and will continue to make clear that the President believes that it is crucial for the Senate to complete action on the CWC (and START II) this year.

IF ASKED why the Administration hasn't done more to get CWC ratified:

-- This Administration has made clear, through its words as well as its actions, that securing CWC ratification and entry into force is one of its highest priorities.

-- Even before the President submitted the CWC to the Senate in November 1993, he pressed the case for prompt CWC ratification and entry into force in his first address to the United Nations.

-- Our most senior officials (the Secretary of State, ACDA Director, JCS Chairman, CIA Director, and DOD Deputy Secretary) all gave strong testimony in support of the CWC last year.

-- In May, former Congressman Martin Lancaster was appointed "Special Advisor to the President and ACDA Director on the Chemical Weapons Convention." Since then, Lancaster has met with over 90 Senators or their staff to urge ratification.

-- The President has made clear on numerous occasions -- in his State of the Union Address in January, at the Nixon Center in March, at the Air Force Academy in May, and at the 50th Anniversary of the UN in San Francisco in June -- the priority he attaches to the earliest possible CWC ratification and entry into force.

-- The President emphasized the importance of CWC ratification again in his meeting with the Congressional leadership last week.

IF ASKED whether there are any substantive obstacles to CWC ratification:

-- There do not appear to be any substantive obstacles to Senate advice and consent to the CWC. Some issues, such as verification, have been raised recently in the press, but these

were dealt with in great detail in the nine Senate hearings and hundreds of questions we answered last year.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

-- The United States and our NATO Allies have for some time been looking at ways to address Russian and Ukrainian concerns about the Treaty's "flank" limits. Last week NATO Allies agreed on a proposal to be presented to Russia and Ukraine. Since the presentation of the proposal has not yet been made, it would not be appropriate to comment on its details.

-- The strategic picture has changed dramatically since the Treaty was signed in 1990. Now, neither the Warsaw Pact nor the Soviet Union exist and forces once deployed by the USSR as far west as Eastern Germany have been withdrawn to Russia. NATO Allies are looking at ways to respond to those changes, while maintaining the key elements of the Treaty, including its flank limits.

-- Allies have developed this proposal as part of a broader set of preparations for the CFE Review Conference, established by the Treaty for May, 1996. Our goal is to preserve the viability of the Treaty, which remains a cornerstone of European security.

-- The "flank" issue does not concern the overall equipment limit for Russia and Ukraine, but the restrictions which the Treaty places on the amount of equipment permitted in certain regions. Russia and Ukraine have participated fully in the Treaty's implementation over the past three

y
ears, destroying
thousands of pieces of Treaty-limited equipment and submitting to hundreds of
inspec
tions under the
terms of the Treaty.

-- It is not certain whether Russia will be prepared to negotiate a solution to the
flank issue on the
basis of the new NATO proposal. However, we and our Allies continue to reject
compl
etely the Russian
idea of an "exclusion zone" in its Caucasus region. There is no basis for such an "
exclusion zone" in the
Treaty.

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

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

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

IRAN SANCTIONS: D'AMATO BILL

-- Believe D'Amato proposal tackles important issues, but we have only recently
rece
ived the text
of Senator D'Amato's bill and we will need a chance to explore it further.

-- We look forward to further consultations on this issue with the Congress.

(If pressed on whether Administration formally opposes)

-- As I said, we believe the bill deals with serious issues, but we need time to con
sider its
provisions in greater detail.

RUSSIA

Current Items

Spring 1996 Summit in Moscow

-- As Canadian Prime Minister Chretien announced June 17, G-7 leaders and Russian President Yeltsin agreed in Halifax to hold summit on nuclear safety and security in Moscow in spring 1996.

-- Summit to cover two broad areas: safety of civilian nuclear power and security of nuclear materials. These are areas in which there is already substantial cooperation between U.S., G-7 and Russia. Summit will provide impetus to deepen cooperation.

Embassy Moscow Attack

-- Continue to work with Russian authorities to determine who launched rocket-propelled grenade attack September 13. Security upgraded at Embassy and at consulates in St. Petersburg, Vladivostok and Yekaterinburg. Pursuing vigorous investigation.

Belarus Balloon Shoot-down

-- Two U.S. citizens killed September 12 when hot air balloon shot down in southwestern Belarus. Appreciate President Lukashenko's condolences and creation of high-level international commission to investigate.

-- Concerned, however, that Belarusian government took 24 hours to notify Embassy and that some Belarusian officials have tried to fix blame on balloon pilots and event organizers. Reject any attempt to justify this senseless and tragic incident.

-- Continuing to talk to Belarus about how this incident occurred.

Iranian Oil Swaps

-- As part of our policy of supporting independence and stability of Caucasus and Central Asia states, USG willing to consider allowing American companies to swap Caspian oil with Iran in short-term while alternative reliable export pipelines are developed. Long-term independence of these states depends on ability to export energy resources.

-- Bottlenecks in Russian pipeline system severely limit ability of Kazakhstan, Turkmenistan and Azerbaijan to export oil and gas. No other pipelines currently available.

-- Actively encouraging U.S. companies in region to develop alternative non-Iranian options for oil export, including pipelines through Caucasus to Turkey. That will take time.

Chevron Swap Deal with Iran

-- Chevron has not yet presented license application. We will review all applications on case-by-case basis.

General Items

U.S. Stake in Relationship

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

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

setbacks, like Chechnya. Have to work to make progress on these.

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

Cuts in/Conditions on Bilateral Aid

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

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

Yeltsin's Warning Against NATO Enlargement

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

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

Russian Banking Crisis

-- Good news is that Russian government and Central Bank effectively managed complex

short-term problems. Financial markets have stabilized; no general run on deposits.

-- Expect additional bank closures and consolidations as weaker banks fold. If prudently managed, will strengthen banking system. We encourage Russian to keep working with IMF and World Bank on bank reform, as it is already doing.

Fred Cuny

-- Engaged Yeltsin, Russian officials to secure cooperation on Cuny case. Doing all we can to find out what happened, e.g., sent FBI team. Investigation ongoing.

-- Sympathize with Cuny family's deep sense of frustration. Share Cuny family's commitment to thorough and honest investigation.

-- No confirmed reports on fate of Cuny or the Russians traveling with him.

Chechnya

-- Russians and Chechens signed military agreement on July 30 that inter alia provides for cessation of hostilities, disarmament and stage-by-stage withdrawal of Russian force.

-- Clashes continue. Implementation of agreement proceeding slowly -- complex and hinders its frequent snags. Situation changing daily.

-- Dispute can only be resolved by negotiated settlement. Urge sides quickly to resolve these issues and move toward political agreement.

Iran Reactor Sale

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

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

IRELAND

U.S. Role

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

-- Sinn Fein President Gerry Adams met with National Security Advisor Anthony Lake September 13 for over an hour. The Vice President joined them for part of the meeting.

-- Mr. Lake and the Vice President met last Friday with UK Minister of State for Northern Ireland Michael Ancram.

-- We also remain in touch with the Irish Government and other parties.

-- Contacts with all the parties are continuing. I am not prepared to go into any detail.

U.S. Position

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

-- We will continue to encourage all sides to be flexible and find a way to move

the
process
forward.

Comment on Paisley Press Conference

-- Dr. Paisley is incorrect to say that the President's visit to Northern Ireland is in serious doubt.

There has been no change in his plans, and in fact he is very much looking forward to the trip.

-- As for the possibility that there could be "serious trouble" during the President's visit, we sincerely hope that he will be welcome in Northern Ireland, where he will be bringing a message of peace and reconciliation.

-- We regret that Dr. Paisley did not accept Mr. Lake's invitation to discuss the situation in Northern Ireland face-to-face.

Comments on Adams Visit

-- In their meeting with Adams September 13, the Vice President and Mr. Lake expressed their satisfaction that Northern Ireland has enjoyed a year of peace, and reiterated that the best guarantee of a just and lasting peace is meaningful dialogue among the parties representing the people of Northern Ireland.

-- Both the Vice President and Mr. Lake said they saw merit in the "twin-track" strategy, establishing an international body to address the issue of decommissioning of weapons, and the importance of a serious discussion of decommissioning.

-- We have had a number of constructive discussions with all parties, including Sinn Fein, over the last week.

-- Those discussions are continuing, and continue to be constructive and

productive.

British Stalling on Talks?

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

Position on Decommissioning:

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

Decommissioning a Precondition to Talks:

-- It is up to the parties to resolve the remaining obstacles.

-- We continue to urge all parties to address outstanding issues seriously and flexibly and move to talks that will lead to a lasting settlement.

(If asked)

-- The President has not said that he favors discussing decommissioning of IRA weapons at new, all-party talks rather than before them. He has said that decommissioning remains an essential element of the peace process, and he has urged the IRA and loyalist paramilitaries to begin to discuss decommissioning seriously.

Background: USA Today of August 28 in its World Roundup says "Clinton, who has thrown his weight behind efforts to end one of Europe's longest guerrilla wars, said in a letter that he favors discussing the decommissioning of IRA arms at new, all-party talks rather than before them." The l

etter is one the President
wrote to former congressman Bruce Morrison in July in which he said "To help
heal th
e wounds of an entire
generation of people in Northern Ireland and as part of the peace process, all the
P
arties should have the
opportunity to raise issues of concern to them. Thus, I would expect all-party talk
s to address policing, prisoner
issues, decommissioning of weapons and other issues of particular concern to
communi
ties and families."

Senator Mitchell to Chair Commission on Decommissioning?:

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

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

Election of new Ulster Unionist Party Chairman

-- David Trimble was elected UUP chairman on September 8.

-- Tony Lake called to congratulate him and to express our hope that he will visit
W
ashington
soon.

-- We hope to continue to build on the good relations with the UUP that we
enjoyed d
uring Mr.
Molyneaux's tenure as party leader.

SOMALIA: AIDEED SEIZES BAIDOA

Q: What is the situation on the ground in Baidoa now?

A: According to available information, on September 19, THE FIGHTING
TOUCHED OFF BY

General Aideed and his militia'S seizURE OF the southwestern city of Baidoa

HAS CONTINUED. WE UNDERSTAND THAT THE INCREASED FIGHTING AND LOOTING HAVE CAUSED THE SITUATION TO DETERIORATE. We have no further details of the fighting or casualties.

The United States views this as a significant setback to political reconciliation in Somalia.

Q: What will be the fate of aid workers who have been rounded up by Aideed's forces?

Are any Americans being held hostage?

A: We understand that approximately 18 aid workers, working for UN agencies and non-governmental relief organizations (NGOs) are being held at a compound in Baidoa by Aideed's forces.

Our immediate goal is to work for the immediate and safe release of all personnel

WHO ARE NOW SAID TO BE "UNDER HOUSE ARREST." WE HAVE ASKED AIDEED TO GUARANTEE THEIR SAFE RELEASE.

(If Asked): We understand that five American citizens are among those detained. We

are in close contact with the UN and NGO community in Nairobi, Kenya, which serves as a base for the organizations which employ these persons.

Q: Does Aideed's seizing of Baidoa signal the beginning of a new offensive and a return to violence in Somalia? What does this forebode for the humanitarian and political situation in Somalia?

A: We hope that there will be no further violence in Somalia and that the Somali people will return

to peaceful negotiations.

Political reconciliation at the local level was beginning to return in Somalia. This, in turn, permitted the movement of both locally grown and imported food supplies.

It is too early to predict if this development forebodes a return to increased violence, but it is not a good sign.

CHINA

CHINA - U.S.

Q: Is the U.S. negotiating a joint communiqué, with China, as the Wall Street Journal reported?

A: No. The Administration has made clear in a variety of ways that there has been no change in our approach to China. We have maintained a "One China" policy, as have the previous five administrations.

This point has been reiterated on numerous occasions, both public and private. It is explicit in the three joint communiqués already signed with China.

We do not see, therefore, a need for another communiqué, to say the same thing.

The Lee Teng-hui visit was a private and unofficial.

HAITI

Background: The second round of legislative elections as well as some reruns of first round elections (both legislative and local) marred by irregularities were held on September 17. Turn-out

was low (probably around 20%) but process was free of violence and far better organized than the first round.

Points

-- As was the case for the first round, the elections held on September 17 were free of violence or intimidation. In light of Haiti's recent history, this is a remarkable achievement.

-- In addition, the management and administration of the September 17 elections were significantly better than those of the first round. Haitian authorities, with the help of the international community, took effective steps to address many of the problems that arose on June 25.

-- Turn-out was low, however. While the reasons for this are unclear, it should be remembered that Haitians have now been to the polls three times in less than three months.

-- Efforts should now turn to the presidential elections which are scheduled for the end of 1995. They will result in the first transition between two democratically elected Presidents in Haiti's history.

CUBA -- NEW FOREIGN INVESTMENT LAW

-- We have not yet reviewed in detail the text of the new foreign investment law but it appears to offer new opportunities for foreign investors.

-- While this would be a welcome development, it also appears to have serious limitations. Cuban citizens, for instance, are still barred from investing in property, hiring non-family employees or forming small businesses. In addition, foreign investors are required to contract labor thr

ough the Cuban government, thereby preserving the government's strict economic hold on individuals.

-- These continuing restrictions significantly limit the scope of the law and indicate that the Cuban government is not interested in fundamental changes.

-- These changes are necessary to create incentives to raise Cubans' standard of living, improve Cuba's overall investment climate, and allow individuals essential economic freedom.

-- As we have indicated, major reforms of the kind that would bring about fundamental change could merit a carefully calibrated responses from the United States.

-- Finally, we will continue to urge foreign investors to avoid investing in properties on which U.S. citizens have claims.

ISRAELI-PALESTINIAN PEACE PROCESS

Q: What is the status of the Israeli-Palestinian peace talks?

A: Both the Israelis and the Palestinians continue to work hard to bridge their differences and have made progress.

We understand that both sides believe they are fairly close to an agreement.

Q: Will there be a ceremony for the parties to sign their agreement in Washington so on?

A: The parties have expressed their desire for a signing ceremony in Washington. As we have said, we are prepared to host a ceremony, once agreement has been reached.

IRAQ

If asked:

Q: Does the United States want to see Saddam Hussein replaced?

A: The Iraqis themselves should decide who leads Iraq. We want to see a stable Iraq that does not represent a threat to its neighbors. We support Iraq's territorial integrity.

As we have said in the past, it is difficult to foresee Saddam remaining in power where Iraq to comply fully with all the resolutions, which he is obliged to do.

Recent events, including the Hussein Kamal defection, tend to reinforce this impression.

But I don't want to speculate on possible succession scenarios. It is up to the Iraqis themselves to determine who should lead them.

KASHMIR

Background: The situation remains unclear and extremely fluid. Contact between the Al-Faran group holding the hostages and the Indian authorities continues to be intermittent and the crisis appears to be building toward a conclusion. Tension in the area continues to mount following a bomb blast in Srinagar this past weekend and troop movements by both India and Pakistan along the line of control (border) that separates them.

Points

-- We are encouraged by reports that the hostages are well.

-- We continue to work closely with the Indian authorities and hope for the speedy and safe release of the hostages.

-- We urge all involved to continue to work cooperatively to secure the release of these innocent men.

EXPORT CONTROL REFORM: COMPUTERS

Q: Is the Administration planning to loosen export controls so that high-powered computers could help our foes build nuclear and other high-tech weapons?

A: We are now reviewing the appropriate levels for export controls on computers. Our review will take all factors into account -- including our strong commitment to nonproliferation -- in seeking to establish a level that advances U.S. interests from a military and economic standpoint.

When we last revised U.S. computer thresholds, two years ago, we said we would need to revisit those levels within about two years. That is what we have been doing.