

M S M a i l

DATE-TIME 28 February 97 20:39
FROM Wozniak, Natalie S.
CLASSIFICATION UNCLASSIFIED
SUBJECT DAILY GUIDANCE UPDATE [UNCLASSIFIED]
TO

Abdulmalik, April B.
Akers, Dale W.
Albert, Ronda A.
Alijanil, Leyla
Andreasen, Steven P.
Appel, Edward J.
Armstrong, Fulton T.
Atlas, Edwin L.
Baker, Jane E.
Baker, James E.
Baldwin, Kenneth
Barks-Ruggles, Erica
Bass, Peter E.
Battenfield, Pat
Bedell, Blair B.
Beers, Rand R.
Behring, Deanna M.
Bellamy, Ralph C.
Bell, Robert G.
Bemisderfer, Dwight D.
Bendick, Gordon L.
Benjamin, Daniel
Biernacki, Eileen V.
Birkland, Andrea L.
Black, Todd F.
Blinken, Antony J.
Bolinski, Charlene C.
Bouchard, Joseph F.
Boynton, Peter J.
Brennan, Steven A.
Bresnahan, Gary E.
Brooks, Jennifer
Brown, Nancy E.
Bryan, Lloyd D.
Burrell, Christina L.
Busick, Paul E.
Caravelli, John M.
Carter, Michael E.
Cicio, Kristen K.
Clark, Bronya

Clarke, Richard A.
Cooper, Kathleen H.
Danvers, William C.
Darnes, Victoria J.
Davis, William K.
DeSouza, Patrick J.
Dimel, Marsha L.
Dobbins, James F.
Dohse, Fred J.
Dowling, J. Nicholas
Dupuy, Shawn L.
Durham, Robert J.
Edwards, Joan
Eggert, Tamara E.
Epstein, Gerald L.
Feeley, John F.
Ficklin, John W.
Flessas, Dan
Florio, Elaine
Fort, Jane B.
Fried, Daniel
Friedrich, M. K.
Fuhrman, Thomas A.
George, Christopher
Gerstner, Christina L.
Gibney, James S.
Gladbach, Damon J.
Glinski, David L.
Gorsuch, Robert P.
Gray, Wendy
Grummon, Stephen R.
Haines, Mary A.
Hale, John E.
Hall, James A.
Hall, Wilma G.
Hamilton, Roy A.
Harding, Bruce D.
Harmon, Joyce A.
Harris, Elisa D.
Harris, Karen
Harrison, Lyle M.
Hasman, Thomas M.
Hawes, David J.
Hawkins, Ardenia R.
Helweg, M. Diana
Higgins, David B.
Hilliard, Brenda I.
Hill, Roseanne M.
Hofmann, Stephan D.
Houck, Baerbel K.

Huggins, Peter
Hunerwadel, Joan S.
Johnson, David T.
Johnson, Natalie A.
Jones, Kerri-Ann D.
Joshi, M. Kay
Kale, Dora A.
Kelly, Sandra L.
Kerrick, Donald L.
Kessinger, Jodi
Kinser-Kidane, Brenda J.
Koehler, Marc
Kreczko, Alan J.
Kristoff, Sandra J.
Kyle, Robert D.
Lawrence, Cynthia
Leary, William H.
LeBaron, Richard B.
Lee, Malcolm R.
Letts, Kelly J.
Lindsay, James M.
Lindsey, Christine J.
Lorin, Matthew E.
Lowry, Jay E.
MacDonald, Bruce W.
Malley, Robert
Marshall, Betty A.
Marsh, Thomas S.
Martinez, Alejandro
Matera, Michael A.
Maxfield, Nancy H.
McCarthy, Mary O.
McCormick, Shawn H.
McIntyre, Stuart H.
Merchant, Brian
Mercier, Henry J.
Millison, Cathy L.
Mitsler, Elaine M.
Miyaoka, Lester H.
Moffett, Julia
Moody, Angelyn D.
Motherway, Daniel J.
Mueller, William (Doug) D.
Naplan, Steven J.
Natoli, Kim M.
Neil, M. Elise
O'loughlin, Kathrine
Orr, Robert C.
O'Shaughnessy, Patrick
Panerali, Kristen E.

Papadimitriou, Marianna
Gwyn M. Parker
Parris, Mark R.
Pascual, Carlos E.
Peggins, John W.
Petchel, Beverly L.
Peters, Mary A.
Piccone, Theodore J.
Pifer, Steven K.
Porter, Gidell
Prendergast, John P.
Pritchard, Charles (Jack) L.
Pyatt, Geoffrey R.
Quinn, Mary E.
Ragan, Richard F.
Rajan, Nahla B.
Rice, Susan E.
Rice, Sean P.
Rim, Julie J.
Roach, Darren S.
Robinson, Wylma
Rosa, Frederick M.
Roundtree, Beverly J.
Rubin, Eric S.
Rumer, Eugene B.
Salvetti, Lisa M.
Samore, Gary S.
Sanborn, Daniel R. K.
David B. Sandalow
Schifter, Richard
Schmelz, Angela
Schmidt, John R.
Schwartz, Eric P.
Sculimbrene, Thomas A.
Seaton, James B.
Sestak, Joseph A.
Sheehan, Michael A.
Showalter, Victoria A.
Sigler, Ralph
Simonalle, Eugene A.
Simon, Steven N.
Simons, James R.
Smith, Michael P.
Snyder, Julie A.
Sonenshine, Tara D.
Sparks, John E.
Suettinger, Robert L.
Sulser, Jack A.
Tucker, Maureen E.
Uriu, Robert M.

Van Tassel, David S.
Veit, Katherine M.
Vershbow, Alexander R.
Verville, Elizabeth G.
Wadsworth, Valon J.
Walsh, Helen C.
Ward, JoAnn X.
Weber, Paul A.
Wechsler, William F.
Whitworth, Frank D.
Willis, Robin M.
Witkowsky, Anne A.
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TEXT_BODY

Please review and forward your updates IN BOLD to @PRESS by 10:00 a.m.
Monday, March 3. Thank you.

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**ATTACHMENT
FILE DATE** 28 February 97 20:38

**ATTACHMENT
FILE NAME** FEB28GUI.DOC

NATIONAL SECURITY AFFAIRS GUIDANCE

February 28, 1997

Drug Certification Zaire

Bosnia Cyprus

Russia South Africa

Northern Ireland Cuba

China National Guard

Gulf War Illnesses

Haiti

Tony Lake

Rwanda/UN

Chile

Saudi Arabia

Iraq

Kuwait

Turkey

Japan

Poland

Middle East

Korea

High Performance Computers

Kashmir

Trips and Visitors

COUNTERNARCOTICS CERTIFICATION PROCESS

☐ Fight against narcotics trafficking taken very seriously. Issue affects health, safety of our children, and our national security.

☐ By week's end, President to receive certification recommendation from Secretary Albright. Recommendation will reflect views of all agencies with role in drug effort.

☐ Recommendation will state whether major producing and transit countries have cooperated fully with the U.S., or taken adequate steps on their own, to meet commitments in the "UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances" of December 2, 1988.

☐ Decision on whether to accept Secretary's recommendations up to

the President.

Requirement to make this determination part of the Foreign Assistant Act (Section 490)

☐ President has three choices: "certify," "deny certification," or provide "national interest certification."

☐ If President decides on "national interest certification," he must include in message to Congress a full, complete description of the vital national interests affected by decertification.

☐ Consequences of decertification serious: no aid, except humanitarian and counternarcotics, U.S. blocks loans from multilateral development banks, and Ex-Im financing and OPIC insurance halted.

☐ For countries certified, Congress may overturn President's certification only if, within thirty days, both Houses adopt joint resolution with majority vote.

☐ President will make his certification decision only after he receives the Secretary's recommendations.

BOSNIA

Mostar

☐ We welcome the release of the UN International Police Task Force (IPTF) report on the February 10 shooting incident in Mostar. We condemn the unwarranted acts of violence that occurred, and endorse the efforts of the IPTF and the Office of the High Representative to investigate this incident and to seek a lowering of tensions between the Bosnian Muslim and Croat communities in the Mostar area.

☐ We remain concerned about the outbreaks of violence in Mostar, particularly the rocket and grenade attacks in recent days on SFOR vehicles. SFOR is taking extra security measures as a result. We have called for restraint by all parties and urged

them to redouble their efforts to work together.

☐ We have expressed our concerns about the violence in Mostar with the Bosnian Croat and Croatian Leaders. We have called upon the Bosnian Croat authorities to condemn the violence and to see that those responsible are brought to justice.

☐ We are also working with the High Representative, IPTF, SFOR and other international agencies to maintain the peace.

Brcko Decision

☐ The Brcko arbitration decision mandates that the office of the High Representative assume interim international supervision of the Brcko area. The Arbitrator will retain jurisdiction and will review the issue in approximately one year.

☐ The arbitration process was agreed to by the parties at Dayton. The Parties should remember that they are committed to implement the decision in full. The international community stands behind the decision and will support its full implementation.

☐ Implementation will be a gradual and long-term effort requiring sustained commitment by the parties and international community. The implementation conference in early March will be the first step in this process.

Return of Refugees

☐ We remain concerned about the potential for violence or intimidation against returning refugees and displaced persons and the possibility of further confrontations in the Zone of Separation. SFOR and the IPTF are investigating recent acts against returning refugees and are taking additional security measures to avoid the potential for additional violence.

☐ The situation in the ZOS remains calm and preparations continue for the return of displaced Bosniaks in accordance with agreed procedures. We are continuing to monitor the situation and will continue to insist that refugees and displaced persons

that follow the agreed procedures are allowed to return to their homes.

☐ The repatriation of refugees and displaced persons will be a long term process and we will continue to encourage the parties and assist international agencies to ensure the expeditious return of these persons to their former homes. We have seen encouraging signs including the return of 225,000-250,000 internally displaced persons and refugees to their homes in Bosnia.

War Criminals

☐ We remain deeply concerned with lack of progress on war crimes front in Bosnia. Achieving justice is part of achieving an enduring peace.

☐ We're examining variety of ways we can help the Tribunal to bring indicted war criminals to justice. We have made no decisions on how to assist the Tribunal. We are reviewing many different options.

☐ We also continue to press the parties to live up to their responsibilities to detain war criminals. We have been consulting with our allies for some time on ways to press the countries involved to turn indicted war criminals over to the tribunal.

☐ While international military forces in Bosnia will detain war criminals if, in the course of normal duties, they encounter those under indictment, it is not the role of SFOR to hunt down war criminals.

If pressed about sending teams of special police or commandos to arrest war criminals:

☐ One possible option is to set up a special police force to assist the Tribunal in apprehending indicted war criminals. Such a force would not include SFOR personnel. This is only one of a number of options under consideration. No decisions have been made.

Iranian Influence in Bosnia

☐ Iranian influence in Bosnia has been an ongoing concern, but we

have taken effective measures to cut Iranian links.

☐ We have enforced the Dayton agreement ban on foreign forces and insisted that Bosnian government sever all military and intelligence links with Iran as a condition of the train and equip program. As the President certified in June, those conditions have been met. There have been no indications since June that military or intelligence cooperation has resumed.

☐ We remain concerned about Iranian influence and continue to watch the situation closely. Overall, we and the intelligence community assess that Iranian influence has substantially diminished since the implementation of Dayton and since we tied the issue to the train and equip program.

Train and Equip Program

☐ The international Train and Equip program is ongoing and is a key success and a major step toward establishing a stable military balance in Bosnia, which is one of the keys to establishing a lasting peace in the region.

☐ The program's extensive training effort involves 170 U.S. contracted trainers, funded by international donations, and additional offers of training assistance from our allies in Europe and moderate Islamic states. The Federation has taken delivery of U.S. equipment from our \$100 million drawdown for Bosnia under the program and is receiving security assistance and equipment donations from moderate Islamic states.

☐ The T&E program continues to facilitate concrete progress in the formation of joint Federation defense structures that will be critical to strengthening the Bosniak-Croat Federation.

SFOR Mission Duration

☐ 18 months will give sufficient extra time needed for civilian implementation efforts on economic reconstruction, refugee return, and related issues needed to ensure a self-sustaining

peace.

☐ We will review every 6 months to see if we can accomplish mission with fewer forces.

SFOR will gradually shift responsibilities to civilian agencies and the parties themselves while moving from stabilization to deterrence to disengagement.

If pressed on whether this means that the U.S. has ruled out participation of U.S. forces after completion of SFOR mission:

☐ We believe that SFOR's mission can be completed in 18 months, and that the conditions will have been established in which stability and security can be maintained without an outside military presence.

If pressed whether the U.S. will insist that any force after 18 months will be European only:

☐ I'm not going to speculate about such scenarios. We believe the mission will be completed in 18 months.

RUSSIA/NIS

Current Items

Rodionov and the Military

☐ Noted Minister Rodionov's concerns. The situation bears watching. Budgetary problems faced by the Russian government affect virtually all sectors; so there is no doubt that the military is affected.

☐ Would note that even during the most difficult stages of economic transition, Russian government has maintained tight control over weapons systems and command structure. Expect that still to be the case.

(If asked -- views on military restructuring?)

☐ Important issue for Russia. President Yeltsin, Prime Minister Chernomyrdin have

underscored need for internal adaptation. Clearly competing views on how to proceed. We continue to follow with interest.

Waiver of Immunity for Georgian Diplomat

☐ Georgian Embassy counselor Makharadze charged February 20 in D.C. Superior Court with involuntary manslaughter, four counts of assault, in connection with January 3 traffic death of woman; Georgian government had waived diplomatic immunity.

☐ Refer you to State Department, U. S. attorney's office for further information.

Clinton-Yeltsin Meeting

☐ President and Yeltsin to meet in Helsinki March 19-20. Secretary Albright in Moscow last week meeting with Yeltsin, Chernomyrdin, Primakov.

☐ We look ahead to progress with Russia on wide range of issues -- American investment, arms control, European security structures. Our agenda very comprehensive.

General Issues

NATO-Russia

☐ Encouraged by most recent talks, indications that Russia now interested in making real progress on defining new NATO-Russia relationship.

On Timetable of New Members' Accession to NATO

☐ Timelines for enlargement not changed; while invitations will be extended in Madrid in July and accession negotiations to occur in this year, with ratification by Alliance parliaments possible in 1998, first new members would not enter NATO until 1999 (at earliest).

On idea of NATO-Russia Brigade

☐ We're exploring in Alliance, and with Russia, variety of ways in which NATO and Russia can work together, build together new relationship, this could include some kinds of military

cooperation -- but all specifics remain to be discussed, settled.

- ☐ Secretary Albright discussed European security, Russia's role, NATO-Russia, in Moscow meetings last week.
- ☐ NATO Secretary General Solana and Foreign Minister Primakov met February 23 in Brussels to discuss development of NATO-Russia relationship.
- ☐ VP and Chernomyrdin had extensive discussions on European security, bilateral issues in preparation for the Clinton-Yeltsin meeting.
- ☐ NATO enlargement will proceed. Believe that is in interests of European security and stability. But U.S. determined to manage enlargement process in manner that does not threaten Russia and to do all that we can to build strong NATO-Russia relationship.

Prospects for Russian Ratification of START II Treaty

- ☐ Treaty faces ratification vote in Duma; parliamentary prerogative to debate its merits. While some may oppose Treaty, Russian government committed to ratification.
- ☐ START II in best interests of both countries, should be ratified by Russia.

If asked: is Administration planning to leap ahead" to START III:

- ☐ As Vice President stated, U.S. prepared to begin negotiations on further reductions in nuclear forces once START II has entered into force; VP said we're ready to consider under what "guidelines" to enter into negotiations. (FYI: VP carefully avoided saying "negotiations.")
- ☐ No intention of setting aside START II.

NORTHERN IRELAND

St. Patrick's Day Reception

Background: Today's Financial Times (2/28) and the Irish press contain headlines calling our St. Patrick's Day guest list a "snub" of Sinn Fein.

☐ The White House will again include some political leaders from Northern Ireland in the annual St. Patrick's Day reception. We expect the list of invitees from Northern Ireland to be similar to last year's. Most guests, of course, will be American.

☐ [IF PRESSED on whether Adams/ Sinn Fein will be included]: Point out that Sinn Fein was not included last year, because the cease-fire had been broken.

Adams Visa?

☐ Mr. Adams has not/not applied for a visa. Since there is no application, the Administration has made no decision.

☐ U.S. officials have been misquoted in the British press about the alleged warning to Mr. Adams.

☐ If pressed: As in the past, an application for a visa waiver by Mr. Adams would be decided on basis of whether it could contribute to search for lasting peace in Northern Ireland.

O'Callaghan to Testify in Deportation Case?

Background: The Irish press reported that controversial IRA defector Sean O'Callaghan, who has been given a visa for a speaking tour here, was to testify for the INS in the deportation hearing of Brian Pearson, an Irish national with former ties to the IRA. This was briefly true, but when INS Washington found out, they recommended against calling O'Callaghan, presumably because his credibility is too widely questioned to make him a good witness.

☐ Understand that O'Callaghan is not going to testify in deportation case. Refer you to INS.

Change in Policy on Need for Cease-Fire?

Background: In Belfast Friday, members of Codel Gilman held a joint press conference with Gerry Adams and said Sinn Fein should be allowed into talks without an IRA cease-fire.

☐ U.S. position has not changed. Like British and Irish governments, our view is that Sinn Fein can only participate in Belfast peace talks after an IRA cease-fire.

☐ Take opportunity to commend the loyalists, who are exercising restraint in face of provocation of IRA violence.

Berger/Steinberg Phone Calls

☐ In last several days NSA Berger and DNSA Steinberg have been in touch with British and Irish officials and with party leaders to discuss situation in Northern Ireland, exchange views on how to move process forward.

☐ If asked whether one of them spoke with Adams: Remain engaged in process; not going to comment further on details of who/when.

Ambassador Smith to be Recalled?

Background: The Washington Times picked up a story out of London that the WH is going to "recall" Ambassador Jean Kennedy Smith because we intend to change our policy toward Northern Ireland and she is regarded as too pro-Sinn Fein.

☐ No truth to report that Ambassador Smith is going to be "recalled" because of change of White House policy toward Northern Ireland or dissatisfaction with Ambassador Smith's performance. She has played invaluable role in Administration support for Northern Ireland peace process.

☐ Our policy has not changed. We support efforts of British and Irish governments to bring about just and lasting settlement; see Belfast talks as historic opportunity. Continue to believe those talks have best chance of success with participation of all elected parties, including Sinn Fein, but that can only happen after cease-fire.

Parades Commission Report

Background: Last summer after the civil unrest over marches in Drumcree, the British set up a panel headed by Oxford don Peter North to recommend how to handle parades in the future.

The North report, just released, recommends that a commission be set up with, inter alia, the authority to make decisions on controversial parades. In its January 30 reaction to the report, the British Government neither accepted nor rejected the recommendation for a commission with decision-making powers but initiated an 8-week consultation period on this aspect of the report.

□ North Review offers valuable insights and recommendations to deal with the very controversial and divisive question of parades and marches in Northern Ireland, particularly during summer "marching season."

□ Report recommends establishment of independent parades commission. Pleased that British Government moving to set one up. Very much hope it can be up and running in time to make a difference and help avoid a repeat of last summer's bitter confrontations.

□ Last summer's events cost the people of Northern Ireland dearly, both economically and politically. Vital for future political progress in Northern Ireland that new ways be found to meet needs of both communities and avoid annual confrontations.

Loyalist Cease-fire Intact?

□ Up to British and Irish governments and participating parties to decide who participates in talks.

□ As President said in statement yesterday, we urge loyalists to maintain their cease-fire. There has been no claim of responsibility for car bomb attacks and there is no doubt loyalists have shown restraint in response to escalating IRA violence.

Belfast Talks

□ Belfast talks, chaired by Senator Mitchell and his colleagues,

represent historic opportunity
and best hope in decades for achieving lasting settlement.

☐ Must not squander progress of last months. Urge all political leaders to take responsibility for making these talks work. Need to move quickly into substantive negotiations on future of Northern Ireland.

☐ Continue to believe that participation of all elected parties, including Sinn Fein, would give talks best chance of success; that can only happen with cease-fire.

☐ Impressed with commitment and determination both governments have shown in search for peace. They and we share goal of inclusive negotiations on future of Northern Ireland, which can only happen if there is an IRA cease-fire.

Deportation Proceedings Against Matt Morrison

☐ Have been assured by Justice that these proceedings being handled fairly. Judicial matter - don't want to comment further.

CHINA

China-U.S. Human Rights Compromise

Q: Did Secretary Albright's trip fail because there was no compromise reached on human rights issues with China?

A: There was no expectation of a breakthrough on human rights as part of Albright's trip. Her visit to Beijing addressed a range of issues, including human rights about which the Secretary was clear and direct.

We have made clear to China that in the absence of human rights progress we would see no reason not to proceed with a resolution at the UNHRC.

We will continue to raise human rights regularly and at all levels with Chinese officials.

Reports on Decision to Sign Human Rights Conventions

- ☐ We would view a Chinese decision to sign conventions on international standards for respect for human rights as a positive step.
- ☐ Much more, however, remains to be done, and it is compliance with these standards that is the important step.
- ☐ We are continuing our consultations with the Europeans and others on how best to use the UNHRC meeting to advance our common human rights objectives in China.

GULF WAR ILLNESSES

Q: What is your reaction to DOD's just-released report on the missing CENTCOM chemical logs? Are you concerned that this is more evidence of a cover-up?

A: The document in question is a draft report of the preliminary findings of a DOD investigation still in progress. The draft report, which was provided to Congress in response to their request, reflects DOD's commitment to carrying out the President's guidance to ensure that all the relevant facts are determined and disclosed. In fact, the detailed and carefully-researched nature of this draft report testifies to DOD's thoroughness and aggressiveness in pursuing information which may help our Gulf War veterans.

While I am certainly concerned about the issue of the missing logs, it is premature to conclude that the information is evidence of a cover-up. I am also sure that, if any evidence of a cover-up arises, it will be appropriately handled by the Inspectors General looking into these events.

Finally, as you know, the Presidential Advisory Committee on Gulf War Veterans' Illnesses was extended to provide independent oversight of the ongoing investigations. I think it's important that we await the outcomes of the ongoing DOD and CIA investigations, as well as the Advisory Committee's assessment of the adequacy of those investigations.

Q: Why does the Pentagon continue to "discover" material it already has about GWI? If DOD knew about chemical exposure and didn't inform you or your committee, isn't that covering up?

A: The Presidential Advisory Committee (PAC) has been key to reinvigorated DOD efforts to find out what we knew. Last year, DOD acknowledged that its prior investigations lacked the vigor needed, and significantly increased its effort. We are now beginning to see the fruits of that effort.

We all wish that this information had come out sooner, and the documents released recently are disturbing; we should have known about them long ago. But, I have said we would do this in an open manner and we are. I want to commend those in DOD and CIA who have found these documents and released them. DOD has taken great pains to note this is NOT the end of the story, and to actively seek new information from all sources.

Our first commitment is to be sure the veterans are getting the care they need, and that's happening. We shouldn't lose sight of what's been done -- 80,000+ free medical exams, 26,000+ compensation claims approved, 80+ federally-sponsored research projects now underway, including research into low level chemical exposure.

Q: A specific issue raised by the Khamisiyah report is that the 26 Feb 91 log entry indicates the possible presence of chemical weapons at Khamisiyah (Objective Gold). Doesn't this info indicate that CIA/DOD "knew" about possible chemical weapons during the ground

war? Why can't this info be declassified?

A: First, I am mindful of the ongoing Army IG, CIA IG, and DOD Intelligence Oversight investigations into many of these same questions, and the extension of the Presidential Advisory Committee (PAC) to provide independent oversight of the adequacy of these investigations. Consistent with my resolve to get out the truth, I have asked the PAC, in performing its independent oversight role, to review the information released in the DOD report and the supporting documentation. This is critical from the standpoint of whether military commanders took appropriate precautions at the time, and whether the implications of that information for Gulf War veterans' health have been appropriately accounted for in providing clinical care and conducting research.

As to the declassification issue, CIA is reexamining its previous decisions with respect to the documents, and will either declassify those documents, or, if sensitive intelligence sources and methods are still involved, brief their contents to the PAC and appropriate Congressional committees to eliminate any appearance of cover-up.

[IF ASKED]:

Q: What about the statement that the CIA briefed the NSC staff in January 1996 on the possibility of U.S. troop exposure?

A: An NSC staffer received a classified brief from CIA in January 1996 as part of its ongoing monitoring of the development of this issue. The NSC staffer recalls that the briefing focused on the CIA declassification initiative. During the briefing, the staffer was told that information had come to light about the possible presence of chemical munitions at Tall al Lahm (later identified as Khamisiyah). The staffer was also briefed that the CIA would work with DOD to try to determine the credibility of the information, and, if credible, DOD would sort out the possible implications for U.S. forces. All of this was briefed as preliminary information.

HAITI -- TRAVEL BY BERGER/TALBOTT

- NSA Berger and Deputy Secretary Talbott visited Haiti Thursday for meetings with President Preval and other senior Haitian officials. Their aim was to review the important progress Haiti has made in strengthening its new democracy, and encourage continued efforts to consolidate and advance reform.
- NSA Berger and Deputy Secretary Talbott discussed the importance of strengthening democratic institutions and review programs designed to foster economic and social development in Haiti. They also discussed the need for rapid progress in creating an environment that attracts investment; U.S. Government support for Haiti's counternarcotics endeavors; efforts to improve public security through reform of the judicial system and development of the Haitian National Police; and the need to make progress in resolving a number of cases of political violence.
- The United States remains deeply committed to supporting Haiti's democratic and economic development. NSA Berger and Deputy Secretary Talbott underscored that commitment as they work with Haiti's leaders to advance our common goal: A democratic Haiti, prosperous and at peace, working in partnership with the United States to forge a brighter future for all the people of the Americas.

LAKE NOMINATION ISSUES

- President spoke to Chair, Ranking member of Senate Select Committee on Intelligence on the Lake nomination when the President went to the Hill following his State of the Union address.

- ☐ Also made clear his unwavering support for Tony at the close of his joint press conference with Prime Minister Netanyahu.
- ☐ (IF ASKED ABOUT SENATORS' SUPPORT) Several Senators have made their views known to you.
- ☐ (IF REQUEST FOR FULL FBI REPORT RAISED) As is standard practice, Senator Shelby provided with summary of FBI report and notes on the FBI's interview with the nominee. We're discussing with Senator Shelby his request for additional information.
- ☐ (IF REQUEST FOR SWORN TESTIMONY FROM NSC STAFF RAISED) As Senator Shelby's letter recognizes, this is an unusual request. We are discussing this issue with the Senator.

RWANDA TRIBUNAL

Background: The UN Secretary General, Kofi Annan, fired the chief administrator and deputy prosecutor of the international criminal tribunal for Rwanda yesterday. The decision followed release of a UN investigation that found widespread mismanagement at the tribunal.

Points

- ☐ Action is important signal of the new Secretary General's commitment to seriously reform the UN.
- ☐ Welcome the decision. The recent report by the UN made clear that major changes were needed to improve the operations of the tribunal.
- ☐ U.S. strongly supports the tribunal which is central to efforts to achieve peace and justice in Rwanda and serve as deterrent against future acts of genocide.
- ☐ Believe action by Secretary General marks turning point for

tribunal which now must take strong action to hold accountable those responsible for crimes in Rwanda.

CHILE

VISIT OF PRESIDENT FREI

The Opening Salvo in Intense Presidential Focus on the Americas

□ Frei visit kicks off period of intense Presidential focus on the Americas: President's trip to Mexico in March; State visit of Canadian Premier Chretien in April; President's trip to Caribbean and Latin America in May; ultimately Santiago Summit of the Americas next year.

□ We face historic opportunity: to help complete hemisphere's journey from dictatorship, war and closed economies to democracy, cooperation and free markets. Two years ago in Miami, President Clinton laid foundation to consolidate remarkable gains of democracy, free markets, regional cooperation. Now, challenge it to build on foundation by putting in place institutions, understandings that advance and strengthen these gains. As host of next Summit, President Frei will be essential partner in building on promise of Miami.

□ Focus on Americas is making real difference in lives of Americans and people of the Americas. American people benefit from more open markets, new partners to fight problems that defy borders like drug trafficking, organized crime, and environmental decay. People of Americas benefit from greater prosperity, respect for worker/human rights, rule of law. Americas are becoming a cornerstone for security and prosperity.

Chile is a Model -- and so is U.S.-Chile Partnership

□ Chile is window through we see emerging Americas: multiparty democracy; firm commitment to human rights and rule of law; proven and dynamic economic reform.

□ U.S.-Chile Partnership Can be Model for Americas.

* Growing commercial ties: Chile strong candidate for fast track authority. U.S. \$1.9 billion trade surplus with Chile gives us strong interest in strengthening trade ties. Clinton and Frei will discuss comprehensive free trade agreement, which can help lead hemisphere toward more open markets that create jobs, growth and opportunity.

* Valued partner within Americas: Working with US to promote peace between Peru and Ecuador. Working to defend democracy through the Organization of American States. Partner in fight against drugs, and to protect environment.

* Valued partner beyond Americas: As member of APEC and two-year member of UN Security Council, Chile playing important role beyond hemisphere. Helps enforce UN sanctions against Iraq as member of UNSCOM.

□ Chile will also provide civilian police monitors for the UN mission in Bosnia.

SAUDI ARABIA

PRINCE SULTAN'S VISIT

Q: Why was Prince Sultan here?

A: Prince Sultan, in his capacity as Second Deputy Prime Minister, visited at the invitation of the Administration to discuss the full range of issues between our countries. This is especially appropriate since we are at the beginning of the second term. Prince Sultan is also here during the period when the President has also invited other Middle East leaders to discuss the situation in the region. In addition to the peace process and other regional issues, Prince Sultan and his accompanying ministers discussed environmental, energy, defense, commercial, and economic issues with members of the Cabinet and their

departments.

Q: What did the President and Sultan discuss?

A: They reviewed the bilateral relationship.

They agreed on the importance of protecting the security of American troops stationed in Saudi Arabia, and they reaffirmed their commitment to the fight against terrorism.

They also reaffirmed their commitment to ensuring security and stability in the critical Gulf region and their commitment to work together to respond to any external threats to our mutual interests.

Finally, they reviewed recent developments in the Peace Process.

STABILITY

Q: Is the U.S. Government concerned about Saudi Arabia's stability?

A: Saudi Arabia faces challenges as it seeks to deal with various economic problems and rapid population growth. Nonetheless, social cohesion in Saudi Arabia is strong and some political reforms have been made. We believe that the Saudi Arabian government has the ability to deal with the challenges of leading that country into the next century.

[If the angle is the King's health]

The Saudi Arabian government has shown, most recently during the regency of Crown Prince Abdullah, the ability to maintain continuity of government and policies. We do not believe the King's health poses a threat to the stability of the government.

SUPPORT FOR THE PEACE PROCESS

Q: Are Saudis helpful on the peace process?

A: The Saudis are supportive of the peace process and want to see it move forward. Prince Sultan renewed the Saudi commitment to give it active

support.

F-16 BUY

Q: Did Sultan express interest in buying F-16s?

A: The issue of F-16s was not raised during Prince Sultan's meeting with the President.

When and if we do receive a Saudi request, it will be examined in the usual manner by State and Defense, who will make recommendations to the President.

We have a long-standing arms supply relationship with Saudi Arabia and their security is vitally important to us, but no decisions have been made at this time on any major new weapons sale.

KHOBAR TOWERS INVESTIGATION

Q: Is the Saudi Arabian government cooperating in the Khobar Towers bombing investigation?

A: This is an ongoing investigation in which the FBI has been working with its Saudi Arabian counterparts.

We have received some cooperation and we expect to receive more.

In that connection, we have been reassured by Prince Sultan that we will receive full cooperation.

RELATIONSHIP WITH U.S.

Q: How would you characterize our relations with Saudi Arabia?

A: The U.S. and Saudi Arabia share a close historic relationship resulting from the pivotal role played by U.S. companies in discovering Saudi oil in the 1930's.

Our relationship today is characterized by mutual respect, consultation and cooperation.

The U.S. and Saudi Arabia both benefit from a strong and balanced trade relationship.

Our country's principled stand with Saudi Arabia and other coalition allies against Iraqi aggression in 1990 and 1991 has deepened our security cooperation with those countries.

The U.S. and Saudi Arabia share important policy objectives, including regional security, the containment of Iran and Iraq, and a just, comprehensive and lasting peace in the Middle East.

U.S. MILITARY PRESENCE

Q: What is the size of our military presence in Saudi Arabia?

A: The U.S. has approximately 5000 military personnel stationed in Saudi Arabia, with another 2000 there on a temporary basis. These figures are subject to fluctuation; the Department of Defense can provide up-to-date information.

The U.S. participates, along with Britain and France, in the Saudi-based Joint Task Forces/South West Asia (JTF/SWA) that enforces the U.N.-mandated no-fly zone over southern Iraq.

The U.S. military also provides essential training aimed at enabling Saudi Arabian military forces to defend their own territory.

We refer you to the Department of Defense for the numbers of personnel that perform these missions.

SECURITY FOR U.S. FORCES

Q: What is the security situation for U.S. forces in Saudi Arabia?

A: There continue to be threats directed against the American community, both private and official, in Saudi Arabia. We treat all such threats seriously.

We have undertaken a comprehensive review of every facility in Saudi Arabia where official Americans live and work and are taking measures to make our people as secure

as possible.

Following the June 1996 bombing of the Khobar Towers residential building in Dhahran, most U.S. military in Saudi Arabia were moved from urban areas and relocated, with the support of the Saudi Arabian government, to more easily protected positions.

We would defer to the Defense Department for details of the relocation.

Last fall, the Secretaries of State and Defense signed a memorandum of understanding that clearly divides security responsibilities in country between the Ambassador and the CENTCOM Commander.

The Saudi authorities have been responsive in assessing these threats and taking precautionary measures.

USE OF FORCES AGAINST IRAQ

Q: Why couldn't we launch strikes from Saudi Arabia against Iraq last September?

A: Protecting Kuwait, Saudi Arabia, and other Gulf countries from aggression is critical to our national interest. A U.S. military presence in Saudi Arabia and the Gulf serves as a powerful deterrent to the aggressive intentions of Iran and Iraq.

Ongoing close cooperation with the Saudis deterred Saddam from striking Kuwait in September 1994, and continues to deter Saddam from adventurism against Kuwait or Saudi Arabia.

Saudi Arabia remains a key member of the international coalition against Iraq. During the crisis last September, the Saudis supported expansion of the southern no-fly zone. The Saudis supported allied air operations throughout this period, and those air operations continue today.

[Note: Saudi Arabia turned down our request to launch strikes

from its territory because of its concern about domestic public opinion. Saudi support was, however, critical to the success of Desert Strike -- a fact that is sensitive to the Saudis and that we would prefer, therefore, not to discuss publicly.]

RELIGIOUS FREEDOM

Q: Why don't the Saudis allow Americans in Saudi Arabia to worship as non-Muslims and what are you doing about it?

A: Reflecting widespread Saudi public sentiment, non-Muslim religious practice is illegal under Saudi law. This is noted in information available to Americans traveling to Saudi Arabia.

The fact that the U.S. considers this an abridgment of freedom of religion has been well documented, including in numerous Annual Human Rights Reports to the Congress.

The U.S. Mission in Saudi Arabia does not interfere with or restrict the exercise of religious beliefs. Employees are free to attend services and no restriction is imposed on home worship. The Mission does not interfere with the practice of faith by the many thousands of private Americans living and working in Saudi Arabia.

Non-Muslim religious services are held discreetly within the expatriate community in Saudi Arabia.

(Only if strongly pressed): Christian religious services are regularly held at the American Embassy in Riyadh.

Such services are not being held at the Consulates in Jeddah and Dhahran, because these services are being held elsewhere in those cities.

[Note: Although the Saudi Arabian government is aware of the religious services at the U.S. Embassy, we want to avoid public mention of this violation of Saudi Arabian law.]

HUMAN RIGHTS

Q: What is the human rights situation like in Saudi Arabia? What are we doing about it?
Why don't we do more?

A: Information about human rights in Saudi Arabia is provided in our annual report to Congress.

Our concerns about human rights issues in Saudi Arabia are part of our ongoing dialogue with the Saudi government.

GOVERNMENT REFORM

Q: What is the state of government reform in Saudi Arabia?

A: King Fahd made several modest political reforms in 1992 and 1993.

The 60-member "Majlis al-Shura," a national advisory council, has a mandate to address social and economic issues. Majlis members have extensive experience in business, education, journalism, the military and administration. Half hold advanced university degrees from abroad and one-third from U.S. universities.

The Majlis hears testimony from experts and members of the government on significant domestic issues, then makes policy recommendations to the King.

Provincial councils, also established in 1993, play a similar role in managing regional and local issues.

It is too soon to judge how effective the Majlis will be in broadening participation in national-level decision-making.

COMMERCIAL CLAIMS

Q: Is Saudi Arabia responsive to U.S. commercial claims? If not, what are you doing about it?

A: Saudi Arabia is our largest trading partner in the Middle East. Given the large and growing volume of bilateral trade, some commercial claims by

American companies are inevitable. We have made considerable progress with Saudi Arabia in addressing claims that have been brought to our attention.

We are committed to making serious efforts to address new disputes with the Saudi Arabian government as they occur. We also continue to work with the Saudi Arabian government on all unresolved disputes.

Not every case has been resolved to the complete satisfaction of the U.S. companies, particularly cases where the Saudi Arabian government maintains that the dispute has been fully and fairly settled by the Saudi judicial process.

Even in such cases, the U.S. government continues to use its good offices to attempt to guide the parties to mutually agreeable conclusions. Our Ambassador and his country team officers are fully engaged on behalf of U.S. business.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release
February 25,
1997

STATEMENT BY THE PRESS SECRETARY

President's Meeting with Prince Sultan of Saudi Arabia

President Clinton's meeting today with Prince Sultan -- Saudi Arabia's second Deputy Prime Minister and Minister of Defense and Aviation -- and his accompanying delegation is the latest chapter in a decades long relationship of mutual respect and support between the United States and Saudi Arabia.

The President told Prince Sultan that we remain committed to ensuring security and stability in the critical Gulf region and will work with Saudi Arabia to

respond to any external threats to our mutual interests. He stressed his determination to protect the security of American troops stationed in Saudi Arabia, and they discussed our cooperation in the fight against terrorism.

The President also told Prince Sultan we look forward to working with our Saudi Arabian friends to further the search for a just, comprehensive and lasting peace in the Middle East. Saudi Arabia pledged its active support for the peace process.

Following the Presidential meetings, Prince Sultan and the Vice President, joined by their respective ministers of foreign affairs, commerce, and energy, discussed a number of issues of bilateral interest, concentrating on environmental, energy, economic and trade matters.

U.S.-Saudi relations are strong and will remain so. Our countries have been friends in peace and allies in war. We have expanding trade and commercial ties that benefit both our economies. U.S. firms have traditionally played an important role in the Saudi Arabian economy and we are working to maintain and expand our participation in Saudi Arabia's development. We are supporting Saudi Arabia's accession to the World Trade Organization, and we look forward to the increasing trade opportunities which will flow from Saudi Arabia's membership in the WTO.

Prince Sultan will be meeting tomorrow with Secretary Cohen to discuss bilateral defense issues in more detail. Prince Sultan will meet with Secretary Albright on Thursday to explore the range of diplomatic initiative underway or under review including, among other issues, the Middle East Peace Process, Afghanistan, Bosnia and our mutual efforts to contain the threat posed by Saddam. Prince Saud will also meet with Secretary Albright on Thursday. Also this week, the Saudi Arabian Ministers of Commerce and Petroleum and Deputy Minister of Finance will conduct bilateral discussions with their U.S. counterparts.

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DIALOGUE WITH IRAQ

Q: What is your reaction to the Iraqi offer of dialogue with the U.S. expressed in the official Iraqi newspaper Al Thawra this week?

A: This is not a serious offer. It is a clumsy propaganda ploy.

The Iraqis know that actions speak louder than words, and they continue to evade their responsibilities to the Security Council.

The real point is Iraqi behavior. They must comply fully with all Security Council Resolutions.

KUWAIT LIBERATION DAY

Q: Any thoughts on the sixth anniversary of Kuwait Liberation Day?

A: February 26 was Kuwait Liberation Day. On this day six years ago, an international coalition led by the United States liberated Kuwait by driving the last of the brutal Iraqi occupation forces from that land.

It is appropriate for us on this anniversary to rededicate ourselves to the task of ensuring that aggressors like Saddam Hussein will never again threaten their neighbors and that the people of Kuwait and the other Gulf states can continue to live in peace and security.

Six years after the invasion, Iraq remains a threat to regional peace and stability. Baghdad has chosen to defy the U.N. through a combination of half-measures and deception. Even now, U.N. weapons inspectors are concerned that Iraq may still have weapons of mass destruction.

The U.S. remains determined to ensure that Iraq comply fully with all of its obligations under the UNSC resolutions. The U.S. will continue to oppose any relaxation of sanctions until Iraq demonstrates its peaceful intentions through such

compliance, and will continue to work with its regional partners and other coalition members to maintain its commitment to the security of Kuwait and to the Gulf region.

TURKEY

TURKISH OIL AND GAS DEALS WITH IRAN

Q: Has the U.S. talked to the Turkish Government about their oil and gas deals with Iran?

A: The U.S. is in continuous dialogue with Turkey. There is no question that the government of Turkey understands our position: that we are concerned with any cooperation with Iran while Tehran continues its unacceptable international policies, notably support for terrorism, acquisition of weapons of mass destruction, and opposition to the Middle East Peace Process.

Q: Does the oil deal or the gas deal violate the D'Amato Bill?

A: It is too early to tell, but we are actively looking into the question.

STATUS OF TURKEY'S EFFORTS TO COMBAT THE PKK MILITARILY

☐ The Turkish Government is best positioned to provide details on the status of Turkey's campaign against the terrorist PKK. Our impression is that Turkey has made progress in reducing the violence and incidence of terrorism.

☐ We recognize Turkey's right to defend itself from the attacks of the vicious, terrorist PKK.

☐ However, we have also expressed our belief to the Turkish Government that, to be successful, it will have to pursue more than just a military solution to the conflict.

TURKISH OVERFLIGHTS OVER CYPRUS

☐ We have no independent information on these reports and are therefore unable to comment.

FMC SANCTIONS AGAINST JAPANESE SHIPPING

Background: The U.S. Government has pressed Japan for fifteen years to reform restrictive and discriminatory port practices without progress. The Japan Harbor Transport Association retains monopoly control over costly, non-transparent and discriminatory provision of port services (especially cargo unloading). Organized crime reputedly controls labor at the docks. GOJ appears to discriminate against U.S. shippers by refusing to license foreign cargo unloading companies. Following a 1995-96 investigation supported by American shipping lines, the FMC in November proposed sanctions. High-level demarches and meetings of relevant parties over the past few months have failed to produce progress.

Q: What is your reaction to the Federal Maritime Commission (FMC) announcement that it will impose \$100,000 per voyage sanctions on three Japanese shipping lines on April 14 in connection with port practices in that country?

A: The FMC is an independent agency, acting under its own authority. The Administration regrets Japan's failure to address restrictive and discriminatory port practices following years of discussion between our governments. Given these circumstances, we concur with the FMC action.

The liberalization that the United States, Europeans and others seek is consistent with Prime Minister Hashimoto's deregulation efforts. Reform of port practices in Japan would benefit both domestic and foreign carriers, consumers and manufacturers by reducing costs. Costs in Japanese ports are among the highest in the world and drive up the price of goods imported by or exported from Japan.

Q: What happens next?

A: There is time to resolve this problem before sanctions are

imposed on April 14. We are willing to work closely with the Japanese government achieve a solution that will benefit both nations.

Q: What authority does FMC have to make such a decision?

A: The Federal Maritime Commission is an independent U.S. government agency with authority to address unfavorable conditions in the U.S. international ocean shipping market. Its authority in this case is based on Section 19 of the Merchant Marine Act of 1920.

POLAND

Arson Attack on Warsaw Synagogue

- ☐ Tuesday night's fire, which seriously damaged Warsaw's only working synagogue, appears to have been an act of arson.
- ☐ We strongly condemn this ugly and despicable act.
- ☐ We welcome Polish President Kwasniewski's strong and immediate denunciation of this outrage, which he called an act of terror. We agree. We also welcome President Kwasniewski's statement that this and any such acts will be prosecuted to the full extent of the law in Poland.

MIDDLE EAST

HAR HOMA

Q: PLO Chairman Arafat recently said that the Israeli decision to build homes at Har Homa was illegal according to their agreements and international law. Do you agree?

A: Not going to get into the legalities. As we've said, we would have preferred that the decision not have been taken because it undermines rather than builds confidence between Israelis and Palestinians.

Q: Has the President received a letter from Chairman Arafat relating to Har Homa?

A: Yes. We will have an opportunity to discuss the concerns raised in the letter when the President meets with Chairman Arafat next Monday.

Q: So Arafat hasn't canceled his trip to the U.S.?

A: We're looking forward to seeing him on Monday.

Q: What's your reaction to the Israeli decision to build a new settlement in east Jerusalem?

A: Our focus now must be on building confidence and ultimately trust between Israelis and Palestinians. This is the only way to create a durable relationship between them.

Today's decision on Har Homa is not a step that will build confidence.

Frankly, we would have preferred that this decision not have been taken.

Q: Are you saying that you're opposed to settlements in east Jerusalem?

A: Our policy on Jerusalem is clear.

As for the decision on Har Homa, I just said that this undermines rather than builds confidence between Israelis and Palestinians.

And now is the time to accelerate the process of building confidence.

Q: Did you give Prime Minister Netanyahu a green light to go forward with this decision when he was in Washington?

A: No. We made it clear that the priority now is to create the best possible environment for Israelis and Palestinians to work out the issues that divide

them.

Q: But he ignored your advice, didn't he?

A: The Prime Minister heard what we had to say.

The question now is to focus on ways to ensure that Israelis and Palestinians work through the issues that divide them through the negotiations and that they do so in a practical way.

Q: What's your policy on settlements? Are they an obstacle to peace?

A: Said many times, settlements are a complicating factor in the negotiations, and they are unhelpful.

Q: Does that policy apply to Har Homa?

A: Said before that the decision on Har Homa undermines confidence and we would have preferred it not be taken.

DEATH OF A PALESTINIAN MAN IN THE OCCUPIED TERRITORIES

Q: What is your reaction to the slaying of a 56-year-old Palestinian man by a covert Israeli army unit?

A: We extend our deep condolences to the family of the slain man.

This is clearly a very regrettable incident.

We do not have any additional information on the circumstances that led to the killing at this time. We would refer you to the Israelis and the Palestinians for more detail. We understand that the Israelis may have initiated a formal inquiry.

VISITS BY LEADERS TO CONSULT ON PEACE PROCESS

-- The schedule of visits:

- Prime Minister Netanyahu - February 13
- Chairman Arafat - March 3
- President Mubarak - March 10
- King Hussein - March 18

POSSIBLE ISRAELI LAUNCHES IN U.S.
(for use on background)

- ☐ Israel Aircraft Industries has informed us it is considering bidding on launches of U.S. commercial payloads from U.S. launch sites.
- ☐ In that connection, Administration currently reviewing request for a site survey at a U.S. facility by IAI.
- ☐ It's a complex issue involving a number of considerations, among them non-proliferation, commercial space policy, and foreign policy.
- ☐ Not going to comment further while it is under review.

ISRAELI DECISION ON ROADS AROUND JERUSALEM

Q: Any comment on the Israeli decision to proceed with roads around Jerusalem?

A: We understand that the road which will be built was approved by Prime Minister Rabin's government to relieve congestion.

We would have preferred it not be done at this time.

Q: Why?

A: We have said to both parties since the Hebron agreement that they should act in ways which build confidence and enhance prospects for future progress.

We would prefer to see steps taken now which continue to build positive momentum.

Q: So there might be a time when you'd acquiesce?

A: We'd have preferred it not be done at this time.

Q: Was this step agreed to during Netanyahu's visit?

A: No.

Q: Was it discussed?

A: We don't get into the details in public of our diplomatic exchanges.

Q: You've said in the past that both sides should avoid steps which prejudice the outcome of permanent status talks? Is that still your view?

A: Yes, that remains our view.

Q: Is this such a step?

A: We've said we would have preferred it not be done at this time.

KOREA

NORTH KOREA AGREES TO ATTEND U.S./ROK JOINT BRIEFING

Q: Has North Korea agreed to attend the joint briefing on the four-party peace proposal?
Did the United States offer any food aid to the North in exchange for their attendance? Is there a connection between the U.S. decision to participate in the UN World Food Program appeal and North Korea's decision to attend the joint briefing?

A: North Korea contacted us Wednesday and requested the joint briefing be rescheduled to the first week in March. Subsequently, the U.S., South Korea and North Korea agreed on 5 March as the date of the joint briefing. The briefing was originally scheduled to occur 29 January, but was postponed by the North.

The United States and South Korea have not offered North Korea food aid in exchange for its attendance at the joint briefing. The United States and South Korea have responded to the UN WFP food aid appeal for North Korea on a humanitarian basis as we did last year. There is no connection between U.S. and South Korea participation in the WFP appeal and the joint briefing. The North contacted us about rescheduling the briefing.

[FYI for background only: The U.S. and South Korea have been straight forward in our contact with the North and have clearly told them that our response to the WFP appeal is based on humanitarian reasons only. The North may choose to use the U.S.

and ROKG participation as a face-saving rationale for rescheduling the joint briefing, BUT NO connection was ever suggested or intended.]

DPRK DEFECTOR IN BEIJING

Q: What's the situation with the North Korean defector? Have we been asked by the ROK to intervene with the PRC? Have we? Have we met with the defector? Do we believe the situation on the peninsula is unstable and North is near collapse? Will we provide \$10 million in food aid? Is the ROK against that? Have we engaged in a failed effort over the last six months to get the North to open up?

A: Since start of administration, been working to create more secure, stable environment on peninsula, in consultation with ROK Ally. First goal, obligation in all of Korea policy is to deter attack; that's why we maintain 37,000 troops in ROK.

-- 1994 Framework agreement froze North's nuclear program, shut down nuclear facilities, placed spent fuel under safeguards, will eventually replace it with safer, more proliferation-resistant nuclear power financed largely by others.

-- Framework agreement also set goals for North/South dialogue and changes in US relationship with N. Korea. Some of these objectives met, e.g. canning of spent fuel, missile proliferation discussions, KEDO; others remain works in progress, e.g. establishment of liaison offices.

-- US/ROK proposal for Four-party talks grows out of overall effort to address security, stability on peninsula. Believe proposal holds long-term promise, important for North to sit down, hear what proposal could mean for them.

-- Shooting in Seoul under investigation; will await investigation's outcome. USG interest in Beijing defector case narrow: that it be resolved peacefully and in accordance with international norms with respect to asylum. Also encourage Chinese, Koreans not to let

issue drag on.

-- Change in North Korean rhetoric could presage solution; won't speculate.

-- Formal WFP food aid request received 13 FEB. Our response will be based on US humanitarian policy: won't use food as weapon; hungry children aren't our enemy. Expect to contribute significant portion of \$40 million appeal. [IF RAISED: ROK aware of USG approach, support it; ROK reviewing WFP appeal, understand they're inclined to treat it favorably.]

-- Can't be certain about North's stability; opaque society, clearly under stress. Framework agreement, Four-Party Talks proposal lets us respond in step-by-step way. Will pursue that, but also avoid misunderstanding, miscalculation in North about USG commitment to defend ROK.

U.S. HIGH PERFORMANCE COMPUTERS: RUSSIA, CHINA

Q: The Administration has stated that it has not approved high performance computers to Russian facilities that have been associated in the past with the Russian nuclear weapons program (Arzamas and Chelyabinsk). Yet Ministry of Atomic Energy (Minatom) officials have been quoted as saying that Minatom has purchased several supercomputers that are now installed at their nuclear research centers, including both Silicon Graphics systems and an IBM supercomputer bought through a European middleman. What's the story?

A: The Administration has not approved the export of any high performance computers to the two Russian nuclear centers, nor do we have any requests pending for such exports. However, we are aware of the recent press statements made by Minatom officials.

The Departments of Commerce and Justice are conducting a joint investigation into the

export of the Silicon Graphics and IBM systems to Minatom. We are taking this issue very seriously.

The companies involved are cooperating, and the Russian Government has offered its cooperation in the investigation. Because there is an active investigation, however, further comment at this time would be inappropriate.

Q: What about reports that Silicon Graphics also exported computers to China's Academy of Sciences last year?

A: We also are aware of these reports, in which Silicon Graphics apparently discussed an export to China's Academy of Sciences. The Commerce and Justice joint investigation will examine the range of Silicon Graphics' exporting practices.

Q: In early 1996, the Administration liberalized its controls on computer exports. What level of computers were liberalized to Russia? To China?

A: In January 1996, the Administration implemented the following computer export policy to, among other countries, Russia and China:

- ☐ Computers at any level require an export license when the exporter knows, or has reason to know, that the shipment is being made to a facility engaged in, among other activities, the design, development, production or stockpiling of nuclear weapons.
- ☐ Computers up to 2000 MTOPS may be sold to all other end users in Russia and China, including military end-users, without a license.
- ☐ Computers up to 7000 MTOPS may be sold to strictly civilian end users for civilian uses, without a license.
- ☐ Computers above 7000 MTOPS, for all end users/end-uses, require a license.

Q: Isn't it difficult for a company to know in every case whether an end-user is civilian, or military, or engaged in proliferation activities?

A: It can be. That is why U.S. exporters have been clearly instructed to contact the government (i.e., the Commerce Department) when they are uncertain about an end-user.

Q: Would you expect U.S. exporters to know that the Russian Ministry of Atomic Energy (MINATOM) was engaged in nuclear weapons work? Did the government let exporters know that these two sites were end users of concern?

A: Minatom and the sites at Arzamas and Chelyabinsk have been long associated with the Russian nuclear weapons program. In fact, there have been several recent press reports about these facilities.

We expect U.S. exporters to know their customers. In fact, U.S. companies have contacted the Commerce Department to ask if shipments to these two entities would be approved. This indicates that U.S. exporters doing business with Minatom have understood their obligations to seek export licenses before making any shipments.

If an exporter had any doubts about the activities of Minatom, however, that company had an obligation to resolve those doubts or to contact the government for assistance.

Q: What has the Administration done to ensure that more U.S. supercomputers don't go to these sites without an export license?

A: The relevant companies have been contacted, and we are satisfied that they are aware that computer shipments to these end users require an export license.

Q: Don't these shipments show that the Administration's computer policy was a mistake, and has allowed a serious breach to our national security - namely that U.S. supercomputers are now helping the Russians refine their nuclear weapons, or the Chinese build long range missiles?

A: The Administration's computer policy recognized the growing worldwide availability of

high performance computers. It also recognized that U.S.-origin computers should not be shipped to certain end users without explicit U.S. authorization.

This was, and is, a reasonable balance to our security and economic interests that was carefully considered and supported by all of the national security agencies involved in the export policy development process, including Defense, Energy, State and Commerce.

A shipment of U.S.-origin high performance computers to the Russian nuclear weapons program or the Chinese missile development program without proper authorization is a matter for our enforcement officials. In order to determine if any U.S. export regulations have been violated, an investigation has been initiated.

KASHMIR

Q: Does Wisner's recent trip to Kashmir indicate that the U.S. has changed its policy toward the territory?

A: No. U.S. position remains the same. The Kashmiri dispute needs to be resolved through negotiations between India and Pakistan that must take into account the wishes of the people of Kashmir.

It is our position that all territory of the former princely states of Jammu and Kashmir remains disputed.

TRIPS AND VISITORS

□ VP and PM Chernomyrdin announced that POTUS and Yeltsin will meet in Helsinki March 20-21. POTUS will then travel to Denmark March 21; first visit to Denmark by sitting President.

□ Prime Minister Jean Chretien of Canada will make an official

visit to Washington on April 8.

- ☐ Chilean President Frei arrives February 26 for a state visit.
- ☐ President will travel to Mexico April 11-12, Latin America and the Caribbean May 6-13.
- ☐ President will travel to Netherlands May 28 for US-EU Summit and Marshall Plan commemoration event. No details yet.
- ☐ Announced that Portuguese Prime Minister Guterres will be here for meeting and working lunch April 3. Do not yet know what other events will be included in his visit.
- ☐ Also announced that Spanish President Aznar will be here April 30 for meeting and working lunch. Again, no details available.
- ☐ G-7 Summit in Denver June 20-22.

If asked about Bruton visit:

- ☐ Yes, we expect Irish Prime Minister here for annual St. Patrick's Day celebration.

If asked about Hashimoto Visit

Background: The Japanese Embassy received guidance this morning in reaction to a leaked story in Tokyo about a possible Hashimoto visit to Washington in April. The Japanese are saying, "The Prime Minister intends to visit Washington in late April and the two governments have begun consultations."

- ☐ We have seen reports indicating that PM Hashimoto wishes to visit Washington this spring.
- ☐ Nothing on the President's schedule yet.

ZAIRE

Q: Is the U.S. involved in Zairian peace talks?

A: The Government of South Africa and the United States of America are engaged in dialogue with representatives of the Government of Zaire and the Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL) for the purpose of ending hostilities in Eastern Zaire, facilitating the provision of relief to displaced persons and refugees as well as refugee repatriation, and establishing the framework for future dialogue between the parties to resolve the internal and regional dimensions of the conflict. These efforts have been undertaken in support of the work of United Nations, the OAU, and the Nairobi Regional Initiative's efforts to resolve the crisis in the Great Lakes region.

Q: What is the status of the peace process?

A: Alliance of Democratic Forces for the Liberation of Congo-Zaire (AFDL) leader Laurent Desire Kabila and his delegation left South Africa February 28 following meetings with South African and American officials. He has said he will engage in consultations related to the peace process. A member of the Government delegation has also returned to Kinshasa for brief consultations. Progress is being made, and we expect these discussions to continue.

The United Nations calls upon both the Government of Zaire and the AFDL to refrain from any military action in coming days that would undermine prospects for peace and create further suffering and instability in Zaire. Continued hostilities would only serve to undermine the initial steps now underway to find a peaceful solution to the crisis in Eastern Zaire.

Q: Does the Zairian delegation have authority to negotiate?

A: President Mobutu has assured the South African Government that his Security Advisor, Mr. Honore Ngbanda Nzambo-Ko-Atumba, is the President's representative in these initial stages of the peace process. As the process evolves, we expect representatives of Prime Minister Kengo's Government to take the lead in any peace

negotiations.

Q: Are these discussions linked to any other initiatives for Eastern Zaire?

A: American and South African contacts with the Zairian parties are complementary with the efforts of the United Nations, the OAU and the Nairobi Regional Initiative. We are in close consultation with UN/OAU Special Representative Sahnoun, EU Special Envoy Ajello, and concerned governments.

CYPRUS

Q: What is the U.S. reaction to recent Turkish violations of Cypriot airspace?

A: We have no independent information that Turkish military aircraft have overflowed Cyprus. We note that we have been concerned for many months about tensions created by Turkish and Greek overflights of Cyprus.

We have worked hard to promote a solution to this issue through a flight moratorium, first advanced by then-Ambassador Albright during her trip to the region last summer.

During his last trip to the region, Mr. Cavanaugh advanced this tension-reducing measure as part of our efforts to reduce the crisis atmosphere in the region. Unfortunately, it has not yet been possible to finalize a moratorium of military overflights. Mr. Cavanaugh was able to secure Turkey's agreement to our moratorium proposal -- contingent upon acceptance by the other side. But on January 17, in Athens, President Clerides told journalists that he could not yet accept such a moratorium.

SOUTH AFRICA: ARMSCOR SETTLEMENT

Q: South African export violations of U.S. origin defense articles

took place before the Mandela government took office. Why did the State Department pursue this case with the current South African Government?

A: The export violations were committed by various companies, two of which are owned by the South African government. The companies in question were subject to criminal and civil sanctions. Both the U.S. and the South African governments, as well as the companies, were eager to put the question of the violations behind them and reach an appropriate resolution of the cases. To do that, the cases had to be resolved.

Q: How can settlement be justified? What signal does this send to other potential violators?

A: This settlement was the result of a long and difficult negotiating process which the court has accepted as meeting the requirements of U.S. law regarding the export of U.S.-origin defense articles. We appreciate that this South African government has taken on commitments to ensure its companies will comply with U.S. laws and regulations in the future.

The signal sent to potential violators elsewhere is that trade in U.S.-origin defense articles carries with it serious legal obligations and that the USG is serious about enforcing arms export control laws.

Q: What did the companies do?

A: The South African companies were charged with acquiring U.S. defense articles, without the required USG approval, during the time of a U.S. and international arms embargo against South Africa.

The Justice Department's criminal indictment lists specific violations with which the parties were charged, but we refer you to the Justice Department for those details.

Q: Will the South African companies involved in this case now be able to export and import

U.S. defense articles and technology? If not, at what point will they become eligible?

A: Once plea agreements are entered, the companies will be subject to a period of debarment from participation in exports from the U.S. of defense articles and services.

When the South African companies take certain steps specified in the agreement--e.g., establishment of mutually satisfactory internal programs that help ensure compliance with U.S. export law and regulations regarding U.S. origin articles--the debarments would be lifted. The agreements also contain provisions for reimposing the debarments if the State Department determines that the companies have not fully complied with their compliance programs.

Q: Are these companies debarred from defense trade transactions with the United States?

A: For some time, these companies have been denied defense trade privileges, at first as part of the arms embargo against South Africa and later as a matter of U.S. policy because of alleged export violations. Under the terms of the agreement and after the entry of their pleas, the companies will be debarred until they have satisfied the criteria in the agreements.

Q: What information do you have that these companies are now complying with U.S. law and policy with regard to U.S.-origin defense articles?

A: The U.S. and the South African governments will monitor the performance of the companies involved to ensure their compliance to the terms of the agreement.

IF ASKED ONLY:

Q: Are any of these companies involved in any way with potential sales to Syria?

A: The ARMSCOR/KENTRON case involves several companies, subsidiaries and affiliates

that are involved in South Africa defense trade. I'm not going to get into hypothetical questions about which of these might or might not be involved in other transactions that may or may not take place. Defense sales must be reviewed and approved by appropriate South African government authorities who are aware that the United States broadly opposes sales of military equipment to any country that is a state sponsor of terrorism.

Q: Why did the U.S. settle these cases at a time when South Africa is considering selling arms to Syria? Is this the right time to settle cases that involve arms violations?

A: The ARMSCOR/KENTRON and FUCHS cases concerned past violations involving U.S. defense equipment. We have agreed to a method to redress these problems and have established the means to verify compliance with relevant law and regulations.

Concerning the reported potential sale of South African arms to Syria, we have had discussions in diplomatic channels, including at the most senior levels of government, and South Africa has said it will take U.S. and other countries' views into consideration in making a decision.

Q: We understand that Senator Helms, noting the potential sales to Syria, specifically requested that the State Department not conclude these agreements. Why did you proceed with them?

A: We view these as separate issues.

The agreements that have been reached address law enforcement concerns that arose because of past violations in handling U.S. defense articles. The USG and the Government of South Africa, through the compliance agreements, have established a mutually satisfactory mechanism that will help prevent similar violations.

CUBA: EXTENDING EMERGENCY IN FLORIDA STRAIT

Background: The President today (Friday) is notifying the Congress that he is continuing the national emergency with regard to Cuba -- first declared in the wake of Cuba's shootdown of two U.S. aircraft one year ago -- under which the U.S. Coast Guard can regulate certain vessel activity in the Florida Strait.

Q: Why is the President extending the emergency? Wasn't last Monday's peaceful commemorative activity evidence of diminished tensions in the Florida Strait?

A: The President first declared a national emergency to address the disturbance or threatened disturbance of international relations caused by Cuba's destruction of two unarmed U.S. aircraft in international airspace on February 24, 1996. Four innocent men lost their lives in that act of brutality.

Since then, despite international condemnation of the incident, the Cuban Government has not accepted responsibility for the shootdown, nor has it forsworn the use of force against civilian aircraft. In fact, as recently as two weeks ago, Cuba reiterated that it will use whatever means it deems necessary against vessels and

The President has chosen to extend the emergency because of the continuing danger to U.S. citizens and permanent residents posed by Cuba's policies and practices.

Q: What does continuing the emergency mean?

A: The proclamation authorizes the Secretary of Transportation and the U.S. Coast Guard to establish and implement regulations governing certain vessel activities in the Florida Strait. In particular, it allows the Coast Guard to implement regulations prohibiting masters and crews from entering Cuban territorial waters without first attaining Coast Guard approval.

Enforcement of the regulations has helped avoid misunderstandings

and potentially dangerous situations during several seaborne activities that Cuban-American groups have held in the Strait to commemorate the pilots shot down last year and to demonstrate against the Castro regime.

NATIONAL GUARD FUNDING WOES

Background: In a February 28 AP story, the National Guard Association contends the FY98 budget submission underfunds the National Guard by \$740 million. Army National Guard leaders assert that the proposed budget would "irreparably harm" the Guard by under funding training and maintenance programs. The article also cited recent testimony by Defense Secretary Cohen where Cohen said he would look into this matter.

- ☐ Understand from the AP story that Secretary Cohen has promised to look into the matter, so recommend National Guard budget questions be addressed to DoD.
- ☐ President has been a strong supporter of the National Guard, both as Governor of Arkansas and President of the United States. Under this President, the Guard and Reserve have achieved increased levels of integration with the Active military components and have been involved in every major military operation over the last several years (Haiti, Bosnia, etc.).
- ☐ President has more than once stressed his commitment to a strong National Guard. In his September 1996 speech to the National Guard Association, the President noted that "our use of the Reserve Components has been one of the secrets of our success" and that he "will not let the Guard become the backup force of last resort."

M S M a i l

DATE-TIME 03 March 97 11:32
FROM Hamel, Michael A.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: Legislative Issues [UNCLASSIFIED]
TO Wise, William M.
CARBON_COPY Babcock, Douglas W.
Boulton, Darrien D.
Bujold, Noelle D.
Elkind, Jonathan H.
Fuerth, Leon S.
Hamel, Michael A.
Harding, Bruce D.
Hilty, JoAnne M.
Jordan, Donald L.
Moore, Lori A.
Norris, John J.
Orfini, Michael H.
Szasz, Nicholas J.
Woolston, Ann E.

TEXT_BODY

Bill - I have suggested we keep a running list on the scorecard of "issues/decisions/actions within next 30-60 days". I think many of these leg issues are appropriate to track on such a list. Also, by reviewing this regularly (at staff meetings?), the advisors can update you and Leon on where these matters are and what OVP should be doing. If the advisors are not part of the info flow and process for OVP, then we will never be able to get in front of problems, we will only respond to crises.

Mike

From: Davis, William K.
To: Fuerth, Leon S.; Wise, William M.
CC: /N, NonRecord at A1; @VP - VP Natl Security Affairs;
@LEGISLAT-Legislative Affairs
Subject: Legislative Issues [UNCLASSIFIED]
Date: Monday, March 03, 1997 09:58 AM

Note for Leon & Bill;

Per the Bill Wise request of Bill Danvers, following are updates on foreign policy legislative issues of interest to the VP that may be discussed in the meeting with John Hilley:

RESOURCES: Obtaining adequate resources for international programs encompasses a range of issues such as the Partnership for Freedom (PFF) initiative for the NIS, contributions to the multilateral development banks including IDA, payment of our arrears to the UN, funding for international environmental and family planning programs, and reorganization of the foreign affairs agencies.

- - We have requested \$19.451 billion, an increase of nearly \$1.5 billion over the level appropriated by Congress for FY 1997. The public support for international spending by the President and the Secretary of State have moved the goalposts, changing the range of debate on the Hill from "how much should we cut Function 150?" to "should there be an increase?". Two inter-agency groups meet weekly (one on public outreach and one on legislative strategy) to keep up the momentum.

- - The first hurdle our request must clear is the markup of the FY 1998 Budget Resolution by the House and Senate Budget Committees, which will take place sometime in April (probably later rather than earlier). Our public outreach and Congressional efforts will need to intensify around that time, and the VP could be very useful, especially weighing in with key members in support of initiatives like the PFF, IDA, and development and environmental programs (all of which will need a lot of help if we are to obtain our request this session).

- - The UN arrears initiative is currently headed by Albright and Richardson in the context of a working group established by Senator Lott - however the VP may need to help with the final push in the broader House and Senate if the Lott initiative produces meaningful legislation.

CWC: Our goal is Senate ratification by April 29 to ensure that the US sits on the Executive Council to implement the CWC. We are currently working with a group of members appointed by Lott to reach agreements on those issues that conservative Republicans find troubling - meetings with members may transition to senior staff group this week to tackle outstanding technical issues.

- - It is critical that we establish an end date to the negotiations to ensure that we can get the CWC to the Senate floor by mid-April. VP and Hilley's efforts may be best spent focusing on Daschle, Biden and Levin to energize them to keep pressure on the Republicans to agree to a date for floor debate and a unanimous consent agreement for a vote on ratification.

REORGANIZATION: Senator Helms has tied the fate of the CWC to progress from the Administration on reorganizing the foreign affairs agencies. Helms (and HIRC Chairman Gilman) are likely to revive their stalled consolidation efforts from last session. Further, many members consider reorganization a prerequisite to providing the increased funding for international programs sought by the Administration.

- - Discussions with the Hill to date have been unfocused, other than Helms' call for action in the context of freeing up the CWC. However, as we get closer to the April crunch time on the CWC, the need to show progress to Helms on the reorganization front will become more intense, and the VP, as head of the RIGO process, may have to become increasingly involved.

NATO ENLARGEMENT: We have briefed key staffs on this initiative in the past week. Reception has been largely positive.

- - There have been three major areas of concern on the Hill: 1) the cost of NATO enlargement - while minimal, it has been questioned, so we can expect the U.S. investment of less than \$200 million per year to receive intense scrutiny; 2) some on the Hill have questioned the need for the existence of NATO as an entity - they must be reminded that NATO was the basis for world support in the Gulf in 1991, Bosnia today and untold operations in the future; 3) some on the Hill maintain concerns about the Russian reaction to NATO enlargement. They fail to see this as an internal Russian political problem, that is expected to evaporate after the Kremlin sees the resolve of the Allies at the Madrid Summit.

- - On the Hill, we simply need to continue to educate members regarding our position - namely that NATO remains our strongest ally and asset and that the cost is marginal when compared to the return that we are receiving. The VP can help us with Hill outreach as this issue heats up as well as continue the dialogue established through GCC as should the President when he meets with Yeltsin in Helsinki.

MEXICO: With the President's decision last Friday to fully certify Mexico as cooperating in the fight against drugs, we are certain to face Congressional efforts to overturn that certification in the next month. There will be a huge inter-agency effort in support of the President's decision, and it will require significant involvement of the White House and members of the cabinet if we are to succeed in fighting anti-Mexico legislation on the Hill.

ENCRYPTION: Assuming the VP has made a decision on an Administration approach to legislation for encryption, we need to work the Hill for co-sponsors for our bill. Our bill is in draft, awaiting the VP's approval before transmittal to the Hill.

- - We feel a market-driven approach is the most feasible and will garner the most support. Leahy and Burns on the Senate side and Goodlatte in the House have already introduced their own bills that are not wholly acceptable to us. We plan to work with Leahy, Kerrey, Hatch and Hyde to incorporate our bill into their markups, assuming that our bill goes to the Judiciary Committees, which is our goal. It is the Administration consensus that we need to propose our own bill, rather than simply opposing what is currently on the Hill with nothing of our own to offer.

- - Therefore, it is important for the VP to approve an approach and for us to get to the Hill and advocate our position with those likely to support us.

NUNN-LUGAR: Nunn-Lugar, or Comprehensive Threat Reduction (CTR), remains our most successful counterproliferation program. It continues to produce impressive accomplishments in ridding the world of nuclear stockpiles and safeguarding the stockpiles that remain in Russia. Its successor program, Nunn-Lugar II, intends to do the same for defending us against domestic terrorists.

- - In the Senate, we have strong support and we do not envision a problem with keeping the funding requests viable.

- - In the House, we have difficulties on the right and left. On the right, the "former Cold Warriors" don't want to support the former Soviet Union. They also refuse to see the prudence of buying out the threats posed by loose nuclear weapons. In Nunn-Lugar II, the right sees this as DOD spending on non-DOD programs, even though DOD has embraced N-L II as one of their missions. The left has concerns with the amount of DOD spending and refuses to understand the importance of spending DOD funds to de-arm emerging democracies. They feel that our example as the leading democratic nation should be sufficient inducement for all nations to follow. The "carrot" provided by CTR or N-L II funding is deemed unnecessary by these members.

M S M a i l

DATE-TIME 03 March 97 18:59
FROM Harris, Elisa D.
CLASSIFICATION UNCLASSIFIED
SUBJECT lake Q & A [UNCLASSIFIED]
TO Kessinger, Jodi
CARBON_COPY Bell, Robert G.
TEXT_BODY [[LAKE33.DOC : 4655 in LAKE33.DOC]]

attached is in response to your request for a draft answer for tony on cwc and helms.

**ATTACHMENT
FILE DATE** 3 March 97 18:57

**ATTACHMENT
FILE NAME** LAKE33.DOC

CWC Question for Tony Lake

Q: Senator Helms has charged that you deliberately slow-rolled answering Senate questions on the Chemical Weapons Convention. Is this true?

A. No. Since the President submitted the CWC to the Senate in November 1993, the Administration has worked very hard to respond promptly and thoroughly to Senate questions on the CWC. Senior Administration officials, including Secretaries Christopher and Perry and General Shalikashvili, have testified on the Convention. We have also conducted dozens of briefings for Members and Staff and have appointed two Special Advisors on the CWC to help address Senate questions during the ratification process. Former Representative Martin Lancaster served in this capacity in 1995 and Dr. Lori Esposito Murray currently holds this position. During 1995-96, they personally briefed every Senate office, including over 40

Senators.

In addition, we have answered in writing over 300 questions submitted for the record. Senator Helms has asked many of these questions, and we have always responded to his concerns.

The Administration has reviewed carefully Senate requests for the declassification of certain information and, where possible, has provided that information to the Senate on a declassified basis. Such declassified information was provided to Majority Leader Lott on

September 10, 1996 in response to a request from him on September 6.

The Administration has also offered repeatedly to make relevant classified information available to the Senate through classified briefings and reports. Indeed, as I wrote Majority Leader Lott on

September 10, 1996: "the Administration remains eager and committed

to continuing to assist the Senate in developing a complete record

for its consideration prior to floor action on the CWC."

M S M a i l

DATE-TIME 07 March 97 12:33
FROM Lindsay, James M.
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT Reorganization Nonpaper-~~CONFIDENTIAL~~
TO Malley, Robert
Ragan, Richard F.
Schwartz, Eric P.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

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

Gentlemen,

Here is a copy of the reorganization paper that I wrote following Don Kerrick's instructions. It is a rewrite of an earlier paper that Elaine Kamarck wrote.

Jim

[[REORG2.DOC : 3121 in REORG2.DOC]]

ATTACHMENT
FILE DATE 6 March 97 11:19

ATTACHMENT
FILE NAME REORG2.DOC

~~CONFIDENTIAL~~/CLOSE HOLD
NON-PAPER ON REORGANIZATION OPTIONS FOR
INTERNATIONAL AFFAIRS FUNCTIONS

I. Purpose

To lay out for the Principals the primary options available for reorganizing the structure of the U.S. foreign policy apparatus.

II. Reorganization Options

Option #1 -- Reinvent all four agencies within the existing legal structure.

Each agency would remain independent. The Administration would accelerate ongoing reinvention efforts and undertake new ones with the aim of introducing more

efficient management practices and eliminating both vertical and horizontal layering (i.e., duplication between offices in each agency and excessive levels within offices).

Pros: Would preserve each agency's "core competency."
Would avoid the disruptions that inevitably attend any effort to merge or integrate agencies.

Cons: Risks being seen as embracing the status quo. Fails to address the concern that the end of the Cold War has exacerbated coordination problems among foreign policy agencies.

Agency views: To Be Provided

Option #2 -- Merge all four agencies into a new Department of International Relations with five under secretaries (Political Affairs, Trade and Economics, International Security, Global and Developmental Issues, Management and Resources).

The new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization that draws on the best people and practices of the old agencies. The DOD model of defense agencies such as DSAA could be emulated. A variation on this theme is to put core AID programs into an International Development Foundation (IDF) that would be a public/private partnership. (This is Senator Helms's idea, and the Overseas Development Council and the Stimson Center recently released a report recommending the creation of an IDF.)

Pros: Allows for the coherent and unified conduct of foreign policy under the Secretary of State and for the allocation of resources according to foreign policy priorities. Likely to produce budgetary savings in the out years, with the exact amount depending on the precise nature of the reorganization undertaken. It would be easier to reinvent and integrate all four agencies simultaneously rather than separately or sequentially.

Cons: Risks subordinating the unique missions of each agency (such as arms control, sustainable development, disaster prevention, public education and public diplomacy) to the short-term bilateral

focus of traditional diplomacy. The creation of an IDF would insulate sustainable development from the pressures of short-term diplomacy.

Agency views: To Be Provided

Option #3 -- Create a modern, "networked" or "virtual" Department of State by establishing tighter links of control and coordination between State and the other agencies while retaining the legal identities of the other agencies.

Some elements of a "networked" department include:

- ☐ merge desk operations of all agencies into State, creating the Washington, D.C., equivalent of the "country team";
- ☐ improve country team coordination;
- ☐ establish a unified foreign affairs budget and remove the legal ambiguities over budget accountability; and,
- ☐ establish common administrative services in Washington such as IG, area studies training, language training, IT, travel, and security clearances.

Pros: Retains the separate identities of the four agencies and their "core competencies" while linking them more closely to our overall foreign policy objectives; creating the Washington equivalent of what happens when an Ambassador manages a successful country team.

Cons: Risks subordinating the unique missions of each agency to the short-term, bilateral focus of traditional State Department diplomacy. May be seen as too close to the status quo.

Agency views: To Be Provided

Option #4 -- Merge USIA into the State Department by creating an Undersecretary for Public Diplomacy.

Merge all public affairs functions in Washington since they are, de facto, merged already in country.
Merge the broadcast functions or create an independent agency or privatize the broadcast entities.
Merge the exchange programs or put them into a separate foundation that can leverage private resources with public. This option would not preclude

management reform or internal restructuring at the other two agencies.

Pros: With an increasing number of democracies in the world and with an increase in the mass media, the business of understanding and influencing foreign public will become a more important part of diplomacy than it has ever been before. Therefore, the expertise of USIA should be part and parcel of twenty-first century diplomacy.

Cons: The public mission does not fit well with traditional diplomacy which is why USIA was created as an independent agency in the first place.

Agency views: To Be Provided

Option #5 -- Merge ACDA into political military affairs at State.

Add to existing State personnel the compliance and verification expertise at ACDA. To preserve the advocacy function create an Arms Control Adviser to the President at State or the NSC. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: Arms control is already a dominant mission of the State Department and an area of significant duplication.

Cons: If merged into State, arms control interests might be subordinated to short-term, bilateral interests. A strong, independent voice for arms control could be lost.

Agency views: To Be Provided

Option #6 -- Merge AID into the State Department under an Under Secretary of State for International Resources and Development.

Merge AID's regional bureaus with State's regional bureaus and assign AID's responsibility for managing global programs to State's functional bureaus. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: The duplication of functions between AID and State

would be minimized; closer policy coordination and program implementation would be achieved; ties between development and relief programs on the one hand and diplomatic and economic policy initiatives on the other would be strengthened; development assistance and foreign policy goals would be aligned; resources would be used more efficiently in the conduct of U.S. foreign policy.

Cons: Unique development focus could be lost. The ability of the United States to do long-term development work independently of short-term, bilateral constraints would be hampered. Because the State Department deals primarily to foreign governments, merging AID into State might create pressure to expand government-to-government programs at the expense of programs that involve NGOs and business.

Agency views: To Be Provided

III. An Alternative Approach -- Choosing a Process, Not an Option

Rather than presenting the Congress with a specific plan for reorganization, the Administration could propose a process for devising a reorganization plan. There are at least four different procedural options the Administration could propose:

Option A -- Presidential Commission

The President could use his authority under the provisions of the Federal Advisory Act to set up a blue-ribbon panel to evaluate reorganization proposals. The panel's recommendations would not be binding, but would further inform his decision making on whether and how to reorganize.

Pros: Would clarify the merits of the various reorganization proposals and help build a political support for one version.

Cons: Will be seen as simply kicking the issue down the road. The lack of a formal Congressional role in the process would encourage the Congress to pursue its own legislation.

Agency views: To Be Provided

Option B -- Biden Proposal

Senator Biden has proposed that the Administration work with the Congress to pass legislation creating a bipartisan commission on reorganization appointed jointly by the President and the Congress. The commission would report its non-binding recommendations within three months after it begins operation.

Pros: The panel could clarify the merits of the various reorganization proposals and help build a political consensus around one version. Being a joint executive-legislative initiative would give the commission additional credibility on the Hill.

Cons: Opponents will argue that this approach simply kicks the reorganization issue down the road since the commission's recommendations will not be binding. The price of Senate support for a bipartisan commission is likely to be a promise by Senate Democrats to allow Senator Helms to hold a non-filibustered vote on his reform proposal.

Agency views: To Be Provided

Option C -- "BRAC-like" Commission

The Administration would ask the Congress to pass legislation creating a commission on the organization of foreign policy agencies modeled after the Base Realignment and Closure Commission. As with BRAC, the commission would make a recommendation that for all practical purposes is binding.

Pros: Would remove reorganization as a matter of dispute with the Congress.

Cons: The commission might recommend a reorganization proposal that the Administration opposes.

Agency views: To Be Provided

Option D -- Presidential request to the Congress for reorganization authority

The President would ask the Congress to authorize him to propose a reorganization plan for the foreign affairs agencies that would be submitted for Congressional approval. Once granted such authority, the President would direct OMB to coordinate a review modeled after the Goldwater-Nichols legislation of the mid-1980s. The result of the review would be submitted for a vote by the Congress on a priority basis.

Pros: Would clarify the merits of the various reorganization proposals and help build a political support for one version. The fact that the President would be acting under a grant of authority from the Congress would give the review additional credibility on the Hill.

Cons: The Congress might be reluctant to establish a process that restricts its formal involvement to voting up or down on a final reorganization plan.

Agency Views: To Be Provided

M S M a i l

DATE-TIME 10 March 97 09:20
FROM Lindsay, James M.
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT Reorganization Paper ~~CONFIDENTIAL~~
TO Bendick, Gordon L.
Burrell, Christina L.
Danvers, William C.
Davis, William K.
CARBON_COPY NO CC's on THIS MESSAGE

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

TEXT_BODY

Attached is the latest version of the reorganization paper, revised according to Don Kerrick's instructions. Don wants the paper by noon, so I need a quick turn around. This version is pretty much the same as the last one, with the addition of option 7 (which itself is just a variant of option 6).

[[REORG3.DOC : 2319 in REORG3.DOC]]

ATTACHMENT
FILE DATE

10 March 97 9:13

ATTACHMENT
FILE NAME

REORG3.DOC
~~CONFIDENTIAL~~/CLOSE HOLD 3/10/97

~~CONFIDENTIAL~~/CLOSE HOLD
NON-PAPER ON REORGANIZATION OPTIONS FOR
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efficient management practices and eliminating both vertical and horizontal layering (i.e., duplication between offices in each agency and excessive levels within offices).

Pros: Would preserve each agency's "core competency." Would avoid the disruptions that inevitably attend any effort to merge or integrate agencies.

Cons: Risks being seen as embracing the status quo. Fails to address the concern that the end of the Cold War has exacerbated coordination problems among foreign policy agencies.

Agency views: To Be Provided

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- ☐ merge desk operations of all agencies into State, creating the Washington, D.C., equivalent of the "country team";
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- ☐ establish common administrative services in Washington such as IG, area studies training, language training, IT, travel, and security clearances.

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Cons: Risks subordinating the unique missions of each agency to the short-term, bilateral focus of traditional State Department diplomacy. May be seen as too close to the status quo.

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Cons: Unique development focus could be lost. The ability of the United States to do long-term development work independently of short-term, bilateral constraints would be hampered. Because the State Department deals primarily to foreign governments, merging AID into State might create pressure to expand government-to-government programs at the expense of programs that involve NGOs and business.

Agency views: To Be Provided

Option #6 -- Integrate all four agencies into a new Department of International Relations with five under secretaries (Political Affairs, Trade and Economics, International Security, Global and Developmental Issues, Management and Resources).

The new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization that draws on the best people and practices of the old agencies. The DOD model of defense agencies such as DSAA could be emulated, or the three smaller agencies could be transformed into bureaus within the larger Department. A variation on this theme is to put core AID programs into an International Development Foundation (IDF) that would be a public/private partnership. (This is Senator Helms's idea, and the Overseas Development Council and

the Stimson Center recently released a report endorsing it.)

Pros: Allows for the coherent and unified conduct of foreign policy under the Secretary of State and for the allocation of resources according to foreign policy priorities. The institutional structure of the foreign affairs agencies should reflect the fact that issues such as sustainable development and nonproliferation are now more central than ever to American foreign policy. Likely to produce budgetary savings in the out years, with the exact amount depending on the precise nature of the reorganization undertaken. It would be easier to reinvent and integrate all four agencies simultaneously rather than separately or sequentially.

Cons: Risks subordinating the unique missions of each agency (such as arms control, sustainable development, disaster prevention, public education and public diplomacy) to the short-term bilateral focus of traditional diplomacy. (The creation of an IDF would insulate sustainable development from the pressures of short-term diplomacy.) Although the long-term benefits might be worthwhile, the short-term dislocation costs might be high.

Agency views: To Be Provided

Option #7 -- A phased integration of all four agencies into a new Department of International Relations, with ACDA and USIA integrated within one year and AID within four years ("one-one-four").

As with Option #6, the new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization that draws on the best people and practices of the old agencies. The pace of integration is phased to take into account the relative complexity of the three smaller agencies and the anticipated difficulty in integrating them. Integration would seek to make the following types of changes:

- ☐ State -- make S/NIS a separate bureau; merge functions among the non-regional bureaus
- ☐ ACDA -- integrate ACDA and PM; name ACDA Director Under Secretary for Arms Control and International Security (T); create the bureaus for Political-Military Affairs and for Arms Control

and Nonproliferation under T;

- ☐ USIA -- integrate USIA's regional bureaus into State's regional bureaus; add USIA's foreign press specialist positions to State's Public Affairs; fold USIA's administrative, legislative, and legal staffs into the appropriate parts of State; preserve editorial integrity of Voice of America and the broadcast agencies under the authority of an independent Board for International Broadcasting;
- ☐ AID -- in year one amend the Foreign Assistance Act to ensure that the AID Administrator reports directly to the Secretary of State and not the President; within two years appoint someone as both AID Administrator and Under Secretary for Global Affairs and begin integration of AID and State regional bureaus; in years three and four complete integration.

Pros: Allows for the coherent and unified conduct of foreign policy under the Secretary of State and for the allocation of resources according to foreign policy priorities. The institutional structure of the foreign affairs agencies should reflect the fact that issues such as sustainable development and nonproliferation are now more central than ever to American foreign policy. Likely to produce budgetary savings in the out years, with the exact amount depending on the precise nature of the reorganization undertaken. It would be easier to integrate all four agencies sequentially rather than simultaneously.

Cons: Risks subordinating the unique missions of each agency (such as arms control, sustainable development, disaster prevention, public education and public diplomacy) to the short-term bilateral focus of traditional diplomacy. Risks four years of tumult as integration drags on and reorganization "losers" fight change both within the Administration and on Capitol Hill.

Agency views: To Be Provided

III. An Alternative Approach -- Choosing a Process, Not an Option

Rather than presenting the Congress with a specific plan for reorganization, the Administration could propose a process for devising a reorganization plan. There

are at least four different procedural options the Administration could propose:

Option A -- Presidential Commission

The President could use his authority under the provisions of the Federal Advisory Act to set up a blue-ribbon panel to evaluate reorganization proposals. The panel's recommendations would not be binding, but would further inform his decision making on whether and how to reorganize.

Pros: Would clarify the merits of the various reorganization proposals and help build a political support for one version.

Cons: Will be seen as simply kicking the issue down the road. The lack of a formal Congressional role in the process would encourage the Congress to pursue its own legislation.

Agency views: To Be Provided

Option B -- Biden Proposal

Senator Biden has proposed that the Administration work with the Congress to pass legislation creating a bipartisan commission on reorganization appointed jointly by the President and the Congress. The commission would report its non-binding recommendations within three months after it begins operation.

Pros: The panel could clarify the merits of the various reorganization proposals and help build a political consensus around one version. Being a joint executive-legislative initiative would give the commission additional credibility on the Hill.

Cons: Opponents will argue that this approach simply kicks the reorganization issue down the road since the commission's recommendations will not be binding. The price of Senate support for a bipartisan commission is likely to be a promise by Senate Democrats to allow Senator Helms to hold a non-filibustered vote on his reform proposal.

Agency views: To Be Provided

Option C -- Presidential request to the Congress for reorganization authority

The President would submit legislation to the Congress asking for authority to propose a reorganization plan for the foreign affairs agencies that would be submitted for Congressional approval. Once granted such authority, the President would direct OMB to coordinate a review modeled after the Goldwater-Nichols legislation of the mid-1980s. The reorganization plan that results from this review would be submitted to the Congress along with the FY 1999 budget request. The Congress would vote up or down on a resolution of approval under expedited procedures. A variant of this option calls for creating a Presidential panel (as in Option A) to supplement the OMB-led review and to provide additional advice and recommendations to the President.

Pros: Would clarify the merits of the various reorganization proposals and help build a political support for one version. The fact that the President would be acting under a grant of authority from the Congress would give the review additional credibility on the Hill. The Administration would have nearly one year to conduct its review, and its deliberations would not be tied to the pressure of the 1998 legislative calendar.

Cons: The Congress might amend the initial legislation authorizing the OMB-led review to restrict reorganization options or to mandate unrealistic cost savings. The Congress might be reluctant to establish a process that restricts its formal involvement to voting up or down on a final reorganization plan. Since the proposal does not restrict the Administration's freedom in what it proposes, the Congress may dismiss the option as a ruse that is designed to kick the issue down the road.

Agency Views: To Be Provided

Option D -- "BRAC-like" Commission

The Administration would ask the Congress to pass legislation creating a commission on the organization of foreign policy agencies modeled after the Base Realignment and Closure Commission. As with BRAC,

the commission would make a recommendation that for all practical purposes is binding.

Pros: Would remove reorganization as a matter of dispute with the Congress.

Cons: The commission might recommend a reorganization proposal that the Administration opposes.

Agency views: To Be Provided

M S M a i l

DATE-TIME 10 March 97 12:14**FROM** Lindsay, James M.**CLASSIFICATION** ~~CONFIDENTIAL~~**SUBJECT** Revised Reorg Paper [~~CONFIDENTIAL~~]**TO** Brown, Nancy E.
Dohse, Fred J.
Friedrich, M. K.
Harmon, Joyce A.
Hilliard, Brenda I.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.**CARBON_COPY** Clarke, Richard A.
Danvers, William C.**TEXT_BODY**

NOTE FOR DON:

Attached is the latest version of the paper on reorganization. It now incorporates the input from last Friday's meeting.

Dick has cleared on the paper. Bill Danvers has been tied up all morning and hasn't had a chance to clear on it.

Jim

[[REORG3.DOC : 3077 in REORG3.DOC]]

**ATTACHMENT
FILE DATE**

10 March 97 9:13

**ATTACHMENT
FILE NAME**

REORG3.DOC

~~CONFIDENTIAL~~/CLOSE HOLD 3/10/97~~CONFIDENTIAL~~/CLOSE HOLDNON-PAPER ON REORGANIZATION OPTIONS FOR
INTERNATIONAL AFFAIRS FUNCTIONS

I. Purpose

To lay out for the Principals the primary options available for reorganizing the structure of the U.S. foreign policy apparatus.

DECLASSIFIED

E.O. 13526

White House Guidelines, September 11, 2006

By VL NARA, Date 2/7/2019

2006-1363 - (3)

II. Reorganization Options

Option #1 -- Reinvent all four agencies within the existing legal structure.

Each agency would remain independent. The Administration would accelerate ongoing reinvention efforts and undertake new ones with the aim of introducing more efficient management practices and eliminating both vertical and horizontal layering (i.e., duplication between offices in each agency and excessive levels within offices).

Pros: Would preserve each agency's "core competency." Would avoid the disruptions that inevitably attend any effort to merge or integrate agencies.

Cons: Risks being seen as embracing the status quo. Fails to address the concern that the end of the Cold War has exacerbated coordination problems among foreign policy agencies.

Agency views: To Be Provided

Option #2 -- Create a modern, "networked" or "virtual" Department of State by establishing tighter links of control and coordination between State and the other agencies while retaining the legal identities of the other agencies.

Some elements of a "networked" department include:

- ☐ merge desk operations of all agencies into State, creating the Washington, D.C., equivalent of the "country team";
- ☐ improve country team coordination;
- ☐ establish a unified foreign affairs budget and remove the legal ambiguities over budget accountability; and,
- ☐ establish common administrative services in Washington such as IG, area studies training, language training, IT, travel, and security clearances.

Pros: Retains the separate identities of the four agencies and their "core competencies" while linking them more closely to our overall foreign policy objectives; creating the Washington equivalent of what happens when an Ambassador manages a successful country team.

Cons: Risks subordinating the unique missions of each agency to the short-term, bilateral focus of traditional State Department diplomacy. May be seen as too close to the status quo.

Agency views: To Be Provided

Option #3 -- Merge USIA into the State Department by creating an Undersecretary for Public Diplomacy.

Merge all public affairs functions in Washington since they are, de facto, merged already in country.

Merge the broadcast functions or create an independent agency or privatize the broadcast entities.

Merge the exchange programs or put them into a separate foundation that can leverage private resources with public. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: With an increasing number of democracies in the world and with an increase in the mass media, the business of understanding and influencing foreign public will become a more important part of diplomacy than it has ever been before. Therefore, the expertise of USIA should be part and parcel of twenty-first century diplomacy.

Cons: The public mission does not fit well with traditional diplomacy which is why USIA was created as an independent agency in the first place.

Agency views: To Be Provided

Option #4 -- Merge ACDA into political military affairs at State.

Add to existing State personnel the compliance and verification expertise at ACDA. To preserve the advocacy function create an Arms Control Adviser to the President at State or the NSC. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: Arms control is already a dominant mission of the State Department and an area of significant duplication.

Cons: If merged into State, arms control interests might be subordinated to short-term, bilateral interests.
A strong, independent voice for arms control could be lost.

Agency views: To Be Provided

Option #5 -- Merge AID into the State Department under an Under Secretary of State for International Resources and Development.

Merge AID's regional bureaus with State's regional bureaus and assign AID's responsibility for managing global programs to State's functional bureaus. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: The duplication of functions between AID and State would be minimized; closer policy coordination and program implementation would be achieved; ties between development and relief programs on the one hand and diplomatic and economic policy initiatives on the other would be strengthened; development assistance and foreign policy goals would be aligned; resources would be used more efficiently in the conduct of U.S. foreign policy.

Cons: Unique development focus could be lost. The ability of the United States to do long-term development work independently of short-term, bilateral constraints would be hampered. Because the State Department deals primarily to foreign governments, merging AID into State might create pressure to expand government-to-government programs at the expense of programs that involve NGOs and business.

Agency views: To Be Provided

Option #6 -- Integrate all four agencies into a new Department of International Relations with five under secretaries (Political Affairs, Trade and Economics, International Security, Global and Developmental Issues, Management and Resources).

The new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization

that draws on the best people and practices of the old agencies. The DOD model of defense agencies such as DSAA could be emulated, or the three smaller agencies could be transformed into bureaus within the larger Department. A variation on this theme is to put core AID programs into an International Development Foundation (IDF) that would be a public/private partnership. (This is Senator Helms's idea, and the Overseas Development Council and the Stimson Center recently released a report endorsing it.)

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Agency views: To Be Provided

Option #7 -- A phased integration of all four agencies into a new Department of International Relations, with ACDA and USIA integrated within one year and AID within four years ("one-one-four").

As with Option #6, the new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization that draws on the best people and practices of the old agencies. The pace of integration is phased to take into account the relative complexity of the three smaller agencies and the anticipated

difficulty in integrating them. Integration would seek to make the following types of changes:

- ☐ State -- make S/NIS a separate bureau; merge functions among the non-regional bureaus
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- ☐ AID -- in year one amend the Foreign Assistance Act to ensure that the AID Administrator reports directly to the Secretary of State and not the President; within two years appoint someone as both AID Administrator and Under Secretary for Global Affairs and begin integration of AID and State regional bureaus; in years three and four complete integration.

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Agency views: To Be Provided

III. An Alternative Approach -- Choosing a Process, Not an Option

Rather than presenting the Congress with a specific plan for reorganization, the Administration could propose a process for devising a reorganization plan. There are at least four different procedural options the Administration could propose:

Option A -- Presidential Commission

The President could use his authority under the provisions of the Federal Advisory Act to set up a blue-ribbon panel to evaluate reorganization proposals. The panel's recommendations would not be binding, but would further inform his decision making on whether and how to reorganize.

Pros: Would clarify the merits of the various reorganization proposals and help build a political support for one version.

Cons: Will be seen as simply kicking the issue down the road. The lack of a formal Congressional role in the process would encourage the Congress to pursue its own legislation.

Agency views: To Be Provided

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Senator Biden has proposed that the Administration work with the Congress to pass legislation creating a bipartisan commission on reorganization appointed jointly by the President and the Congress. The commission would report its non-binding recommendations within three months after it begins operation.

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Cons: Opponents will argue that this approach simply kicks

the reorganization issue down the road since the commission's recommendations will not be binding. The price of Senate support for a bipartisan commission is likely to be a promise by Senate Democrats to allow Senator Helms to hold a non-filibustered vote on his reform proposal.

Agency views: To Be Provided

Option C -- Presidential request to the Congress for reorganization authority

The President would submit legislation to the Congress asking for authority to propose a reorganization plan for the foreign affairs agencies that would be submitted for Congressional approval. Once granted such authority, the President would direct OMB to coordinate a review modeled after the Goldwater-Nichols legislation of the mid-1980s. The reorganization plan that results from this review would be submitted to the Congress along with the FY 1999 budget request. The Congress would vote up or down on a resolution of approval under expedited procedures. A variant of this option calls for creating a Presidential panel (as in Option A) to supplement the OMB-led review and to provide additional advice and recommendations to the President.

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Agency Views: To Be Provided

Option D -- "BRAC-like" Commission

The Administration would ask the Congress to pass legislation creating a commission on the organization of foreign policy agencies modeled after the Base Realignment and Closure Commission. As with BRAC, the commission would make a recommendation that for all practical purposes is binding.

Pros: Would remove reorganization as a matter of dispute with the Congress.

Cons: The commission might recommend a reorganization proposal that the Administration opposes.

Agency views: To Be Provided

M S M a i l

DATE-TIME 10 March 97 15:50
FROM Lindsay, James M.
CLASSIFICATION ~~CONFIDENTIAL~~
SUBJECT Reorg Nonpaper -- 4PM Version[~~CONFIDENTIAL~~]
TO Brown, Nancy E.
Dohse, Fred J.
Friedrich, M. K.
Harmon, Joyce A.
Hilliard, Brenda I.
Joshi, M. Kay
Kerrick, Donald L.
Millison, Cathy L.
CARBON_COPY Clarke, Richard A.
Danvers, William C.

DECLASSIFIED
E.O. 13526 5/16/2017
White House Guidelines, September 11, 2006
By 17 NARA, Date 2/7/2019
2006-1363-F(3)

TEXT_BODY

NOTE TO DON KERRICK:

Attached is the newest version of the nonpaper on reorganization. It reflects the changes you requested at our 2PM meeting.

Jim

[[REORG4.DOC : 3929 in REORG4.DOC]]

ATTACHMENT
FILE DATE

10 March 97 15:47

ATTACHMENT
FILE NAMEREORG4.DOC
~~CONFIDENTIAL~~/CLOSE HOLD 3/10/97

~~CONFIDENTIAL~~/CLOSE HOLD
NON-PAPER ON REORGANIZATION OPTIONS FOR
INTERNATIONAL AFFAIRS FUNCTIONS

I. Purpose

To lay out for the Principals the primary options available for reorganizing the structure of the U.S. foreign policy apparatus.

II. Reorganization Options

Option #1 -- Reinvent all four agencies within the existing legal structure.

Each agency would remain independent. The Administration would accelerate ongoing reinvention efforts and undertake new ones with the aim of introducing more efficient management practices and eliminating both vertical and horizontal layering (i.e., duplication between offices in each agency and excessive levels within offices).

Pros: Would preserve each agency's "core competency." Would avoid the disruptions that inevitably attend any effort to merge or integrate agencies.

Cons: Risks being seen as embracing the status quo. Fails to address the concern that the end of the Cold War has exacerbated coordination problems among foreign policy agencies.

Agency views: To Be Provided

Option #2 -- Create a modern, "networked" or "virtual" Department of State by establishing tighter links of control and coordination between State and the other agencies while retaining the legal identities of the other agencies.

Some elements of a "networked" department include:

- ☐ merge desk operations of all agencies into State, creating the Washington, D.C., equivalent of the "country team";
- ☐ improve country team coordination;
- ☐ establish a unified foreign affairs budget and remove the legal ambiguities over budget accountability; and,
- ☐ establish common administrative services in Washington such as IG, area studies training, language training, IT, travel, and security clearances.

Pros: Retains the separate identities of the four agencies and their "core competencies" while linking them more closely to our overall foreign policy objectives; creating the Washington equivalent of what happens when an Ambassador manages a successful country team.

Cons: Risks subordinating the unique missions of each agency to the short-term, bilateral focus of

traditional State Department diplomacy. May be seen as too close to the status quo.

Agency views: To Be Provided

Option #3 -- Merge USIA into the State Department by creating an Undersecretary for Public Diplomacy.

Merge all public affairs functions in Washington since they are, de facto, merged already in country.

Merge the broadcast functions or create an independent agency or privatize the broadcast entities.

Merge the exchange programs or put them into a separate foundation that can leverage private resources with public. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: With an increasing number of democracies in the world and with an increase in the mass media, the business of understanding and influencing foreign public will become a more important part of diplomacy than it has ever been before. Therefore, the expertise of USIA should be part and parcel of twenty-first century diplomacy.

Cons: The public mission does not fit well with traditional diplomacy which is why USIA was created as an independent agency in the first place.

Agency views: To Be Provided

Option #4 -- Merge ACDA into political military affairs at State.

Add to existing State personnel the compliance and verification expertise at ACDA. To preserve the advocacy function create an Arms Control Adviser to the President at State or the NSC. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: Arms control is already a dominant mission of the State Department and an area of significant duplication.

Cons: If merged into State, arms control interests might be subordinated to short-term, bilateral interests.

A strong, independent voice for arms control could be lost.

Agency views: To Be Provided

Option #5 -- Merge AID into the State Department under an Under Secretary of State for International Resources and Development.

Merge AID's regional bureaus with State's regional bureaus and assign AID's responsibility for managing global programs to State's functional bureaus. This option would not preclude management reform or internal restructuring at the other two agencies.

Pros: The duplication of functions between AID and State would be minimized; closer policy coordination and program implementation would be achieved; ties between development and relief programs on the one hand and diplomatic and economic policy initiatives on the other would be strengthened; development assistance and foreign policy goals would be aligned; resources would be used more efficiently in the conduct of U.S. foreign policy.

Cons: Unique development focus could be lost. The ability of the United States to do long-term development work independently of short-term, bilateral constraints would be hampered. Because the State Department deals primarily to foreign governments, merging AID into State might create pressure to expand government-to-government programs at the expense of programs that involve NGOs and business.

Agency views: To Be Provided

Option #6 -- Integrate all four agencies into a new Department of International Relations.

The new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization that draws on the best people and practices of the old agencies. The resulting changes, which would be even more profound for State than for the three smaller agencies, would create a "new diplomacy" for the twenty-first century by creating a new culture among our foreign affairs practitioners. The

structure of the new Department would be modeled on the Department of Defense, where different services with distinct cultures serve under a common leadership under the direction of a Secretary of Defense. The DOD model of defense agencies such as DSAA could be emulated, or the three smaller agencies could be transformed into bureaus within the larger Department. A variation on this theme is to integrate all four agencies but to spin off core AID programs into an International Development Foundation (IDF) that would be a public/private partnership.

Pros: Allows for the coherent and unified conduct of foreign policy under the Secretary of State and for the allocation of resources according to foreign policy priorities. The institutional structure of the foreign affairs agencies should reflect the fact that issues such as sustainable development and nonproliferation are now more central than ever to American foreign policy. Likely to produce budgetary savings in the out years, with the exact amount depending on the precise nature of the reorganization undertaken. It would be easier to reinvent and integrate all four agencies simultaneously rather than separately or sequentially. The start of the second term offers the President the opportunity to match new personnel to new purposes.

Cons: Risks subordinating the unique missions of each agency (such as arms control, sustainable development, disaster prevention, public education and public diplomacy) to the short-term bilateral focus of traditional diplomacy. (The creation of an IDF would insulate sustainable development from the pressures of short-term diplomacy.) Although the long-term benefits might be worthwhile, the short-term dislocation costs might be high.

Agency views: To Be Provided

Option #7 -- A phased integration of all four agencies into a new Department of State, with ACDA and USIA integrated within one year and AID within four years ("one-one-four").

As with Option #6, the new Department would not merely collect existing agencies under a new banner but reinvent and integrate each of them into a new streamlined organization that draws on the best people

and practices of the old agencies. As such, integration of the foreign affairs agencies would be part of a broader strategy for reorganizing State, which itself suffers from internal duplication. The pace of integration is phased to take into account the relative complexity of the three smaller agencies and the anticipated difficulty in integrating them. Integration would seek to make the following types of changes:

- ☐ State -- make S/NIS a separate bureau; merge functions among the non-regional bureaus
- ☐ ACDA -- integrate ACDA and PM; name the ACDA Director the Under Secretary for Arms Control and International Security (T); create the bureaus for Political-Military Affairs and for Arms Control and Nonproliferation under T;
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- ☐ AID -- in year one amend the Foreign Assistance Act to ensure that the AID Administrator reports directly to the Secretary of State and not the President; within two years appoint someone as both AID Administrator and Under Secretary for Global Affairs and begin integration of AID and State regional bureaus; in years three and four complete integration.

Pros: Allows for the coherent and unified conduct of foreign policy under the Secretary of State and for the allocation of resources according to foreign policy priorities. The institutional structure of the foreign affairs agencies should reflect the fact that issues such as sustainable development and nonproliferation are now more central than ever to American foreign policy. Likely to produce budgetary savings in the out years, with the exact amount depending on the precise nature of the reorganization undertaken. It would be easier to integrate all four agencies sequentially rather than simultaneously.

Cons: Risks subordinating the unique missions of each agency (such as arms control, sustainable development, disaster prevention, public education and

public diplomacy) to the short-term bilateral focus of traditional diplomacy. Risks four years of tumult as integration drags on and reorganization "losers" fight change both within the Administration and on Capitol Hill.

Agency views: To Be Provided

III. An Alternative Approach -- Choosing a Process, Not an Option

Rather than presenting the Congress with a specific plan for reorganization, the Administration could propose a process for devising a reorganization plan. There are at least four different procedural options the Administration could propose:

Option A -- Presidential Commission

The President could use his authority under the provisions of the Federal Advisory Act to set up a blue-ribbon panel to evaluate reorganization proposals. The panel's recommendations would not be binding, but would further inform his decision making on whether and how to reorganize.

Pros: Would clarify the merits of the various reorganization proposals and help build a political support for one version.

Cons: Will be seen as simply kicking the issue down the road. The lack of a formal Congressional role in the process would encourage the Congress to pursue its own legislation.

Agency views: To Be Provided

Option B -- Biden Proposal

Senator Biden has proposed that the Administration work with the Congress to pass legislation creating a bipartisan commission on reorganization appointed jointly by the President and the Congress. The commission would report its non-binding recommendations within three months after it begins operation.

Pros: The panel could clarify the merits of the various

reorganization proposals and help build a political consensus around one version. Being a joint executive-legislative initiative would give the commission additional credibility on the Hill.

Cons: Opponents will argue that this approach simply kicks the reorganization issue down the road since the commission's recommendations will not be binding. The price of Senate support for a bipartisan commission is likely to be a promise by Senate Democrats to allow Senator Helms to hold a non-filibustered vote on his reform proposal.

Agency views: To Be Provided

Option C -- Presidential request for 150 account reorganization authority

The President would submit legislation to the Congress asking for authority to propose a reorganization plan for the foreign affairs agencies that would be submitted for Congressional approval. Once granted such authority, the President would direct OMB to coordinate a comprehensive review of foreign affairs missions, organizational structures, programs and activities undertaken within the 150 account as well as those undertaken with funding from other accounts. The review would be coordinated with the bottom-up review of our military strategies to take place concurrently and would apply approaches adopted by the Goldwater-Nichols legislation enacted in 1986. The reorganization plan that results from these reviews would be submitted to the Congress along with the FY 1999 budget request. The Congress would vote up or down on a resolution of approval under expedited procedures. A variant of this option calls for creating a Presidential panel (as in Option A) to supplement the OMB-led review and to provide additional advice and recommendations to the President.

Pros: Would clarify the merits of the various reorganization proposals and help build political support for one version. Linking review of international affairs structures with review of military strategies would provide an overall post-Cold War national security review. The fact that the President would be acting under a grant of authority from the Congress would give the review additional credibility on the Hill. We

would have nearly one year to conduct our review, our deliberations would not be tied to the pressure of the 1998 legislative calendar, and our FY 98 budget request would be considered in isolation from the reorganization issue.

Cons: The Congress might amend the initial legislation authorizing the OMB-led review to restrict reorganization options or to mandate unrealistic cost savings. The Congress might be reluctant to establish a process that restricts its formal involvement to voting up or down on a final reorganization plan. Since the proposal does not restrict what the Administration can submit one year from now as its reorganization plan, the Congress may dismiss the option as a ruse designed to kick the issue down the road. Puts off a final decision for at least one year, keeping the agencies in limbo and hampering their performances.

Agency Views: To Be Provided

Option D -- "BRAC-like" Commission

The Administration would ask the Congress to pass legislation creating a commission on the organization of foreign policy agencies modeled after the Base Realignment and Closure Commission. As with BRAC, the commission would make a recommendation that for all practical purposes is binding.

Pros: Would remove reorganization as a matter of dispute with the Congress.

Cons: The commission might recommend a reorganization proposal that the Administration opposes.

Agency views: To Be Provided

M S M a i l

DATE-TIME 11 March 97 12:25

FROM Harris, Elisa D.

CLASSIFICATION UNCLASSIFIED

SUBJECT Lott & CWC [UNCLASSIFIED]

TO Bass, Peter E.
Cicio, Kristen K.
Hall, Wilma G.
Helweg, M. Diana
Kale, Dora A.
Kerrick, Donald L.
Millison, Cathy L.
Veit, Katherine M.

CARBON_COPY Bell, Robert G.
Bendick, Gordon L.
Blinken, Antony J.
Burrell, Christina L.
Danvers, William C.
Davis, William K.
Murray, Lori E.
Sonenshine, Tara D.

TEXT_BODY PLEASE PASS TO SANDY:

I understand that the Majority Leader called Senator Lugar yesterday to apologize for Senator Helms' comments over the weekend about the CWC. As you know, Helms said in a speech to the Conservative Political Action Conference that the treaty will not be reported out of the SFRC until the Administration secures all of the changes to the actual treaty text Helms has requested. Lott told Lugar that Helms has "gone too far." This is the first time Lott has called Lugar this year. Lugar feels that both the substance of what Lott said and the fact that he made the call are significant.