

M S M a i l

DATE-TIME 27 February 97 11:52
FROM Barks-Ruggles, Erica
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: URGENT: S. Africa Press guidance [UNCLASSIFIED]
TO Jordan, Donald L.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

Pete - Pg 6, second tick on second Q on Syria is changed to reflect Gumbi concerns. Others are done (or so specific we deleted the entire Q&A's here because McCurry doesn't need them). - Erica

[[ARMSCOR.DOC : 2880 in ARMSCOR.DOC]]

From: Jordan, Donald L.
 To: Barks-Ruggles, Erica
 CC: /N, NonRecord at A1
 Subject: RE: URGENT: S. Africa Press guidance [UNCLASSIFIED]
 Date: Thursday, February 27, 1997 11:43 AM

OK--have we taken into account Gumbi's comment after Embassy shared with SAG?

From: Barks-Ruggles, Erica
 To: Jordan, Donald L.; Sparks, John E.
 CC: /R, Record at A1; McCormick, Shawn H.
 Subject: URGENT: S. Africa Press guidance [UNCLASSIFIED]
 Date: Thursday, February 27, 1997 11:14 AM

<<Attached File: ARMSCOR.DOC>>

John/Pete -
 Attached is press guidance as was sent last night for use by McCurry IF we have a confirmed, completed hearing before press time. I have added the "some issues best discussed in private" language to the second tick in the second Q&A on Syria. With your OK I will send this over to the Press people. John, as discussed, the embargoed language (all except first page) will not be authorized for use without BOTH you and I clearing it with the press office. Thanks - Erica

ATTACHMENT
FILE DATE 27 February 97 11:50

ATTACHMENT
FILE NAME

ARMSCOR.DOC

ALL ATTACHED GUIDANCE AND FACT SHEET ARE EMBARGOED UNTIL AFTER HEARING IN PHILADELPHIA ON THE CASE IS COMPLETED. NOTHING BEYOND THE ONE Q&A BELOW MAY BE RELEASED TO THE PRESS WITHOUT THE EXPRESS PERMISSION OF NSC AFRICA AND LEGAL DIRECTORATES.

NON-EMBARGOED GUIDANCE:

Q: We understand that a settlement of the ARMSCOR case is expected today, do you have anything on that for us?

A:

-- THERE IS A HEARING SCHEDULED TODAY ON THE CASE. WE CANNOT COMMENT FURTHER ON THE CASE AT THIS POINT AS IT IS STILL BEFORE THE COURTS.

FACT SHEET

ARMSCOR

THERE HAS BEEN A MOMENTOUS AND POSITIVE CHANGE IN POLITICAL AND LEGAL REGIMES IN SOUTH AFRICA. THE GOVERNMENT OF THE UNITED STATES AND THE GOVERNMENT OF SOUTH AFRICA AGREE THAT SUCH A CHANGE CONSTITUTES A MAJOR FACTOR TO BE CONSIDERED IN APPROACHING ALL ASPECTS OF OUR BILATERAL RELATIONSHIP. IN THAT SPIRIT, THE SOUTH AFRICAN AND UNITED STATES GOVERNMENTS HAVE WORKED COOPERATIVELY TO RESOLVE OUTSTANDING CHARGES REGARDING THE ARMSCOR, KENTRON, AND FUCHS COMPANIES, AND U.S. INDIVIDUALS AND CORPORATIONS, FOR VIOLATIONS OF U.S. LAWS THAT OCCURRED DURING THE FORMER APARTHEID REGIME.

IN 1991, THE SOUTH AFRICAN ARMS PARASTATAL ARMSCOR, ITS

SUBSIDIARY
KENTRON, AND A PRIVATE SOUTH AFRICAN FIRM, FUCHS, WERE
INDICTED
FOR A
NUMBER OF VIOLATIONS OF U.S. ARMS EXPORT LAWS. IN A
PARALLEL
CIVIL
ACTION, THE STATE DEPARTMENT INSTITUTED A DENIAL POLICY
FOR ALL
MUNITIONS LIST EXPORTS AGAINST ARMSCOR AND THE OTHER
SOUTH
AFRICAN
ENTITIES. DURING THE PAST SEVERAL YEARS, THE UNITED STATES
AND
SOUTH
AFRICAN GOVERNMENTS, AS WELL AS THE ENTITIES INVOLVED,
HAVE
CONDUCTED NEGOTIATIONS TO RESOLVE THESE CASES.

IN JULY OF 1996, VICE PRESIDENT GORE AND DEPUTY PRESIDENT
MBEKE
AGREED ON A FRAMEWORK TO GUIDE NEGOTIATORS IN REACHING
SETTLEMENT.
SUBSEQUENTLY, THE DEPARTMENT OF JUSTICE NEGOTIATED AN
AGREEMENT
TO
SETTLE THE CRIMINAL CASE, AND THE STATE DEPARTMENT
CONCLUDED THE
CIVIL CASE. THE FULL SETTLEMENT WAS SUBMITTED TO THE
DISTRICT
COURT
IN PHILADELPHIA FOR REVIEW IN JANUARY, AND THE COURT
DECIDED TO
ENTER
THE PLEAS ON FEBRUARY 27, 1997.

KEY FEATURES OF THE AGREEMENTS ARE:

- A NOLO CONTENDERE PLEA BY THE PARASTATALS ARMSCOR
AND KENTRON
AND A GUILTY PLEA BY THE PRIVATE FIRM FUCHS;
- DOLLARS 12.5 MILLION IN CRIMINAL FINES TO BE PAID BY THE
COMPANIES;
- A CONTRIBUTION OF DOLLARS 6.25 MILLION BY THE COMPANIES
TO THE
SOUTH AFRICAN GOVERNMENT TO HELP ESTABLISH AN EFFECTIVE
EXPORT
CONTROL REGIME IN SOUTH AFRICA;

-- DOLLARS 6.25 MILLION IN CIVIL FINES TO BE SUSPENDED UNLESS THE COMPANIES FAIL TO ADHERE TO THE MUTUALLY AGREED-UPON COMPLIANCE PROGRAMS;

-- ESTABLISHMENT OF MUTUALLY SATISFACTORY COMPLIANCE PROGRAMS CONCERNING THE USE AND TRANSFER OF U.S. ORIGIN DEFENSE ARTICLES, SERVICES, AND TECHNICAL DATA FOR THE COMPANIES IN QUESTION, INCLUDING MONITORING BY AN INDEPENDENT OMBUDSMAN.

THE GOVERNMENTS OF SOUTH AFRICA AND THE UNITED STATES PLAN TO CONSULT CLOSELY IN THE FUTURE TO ENSURE THE SUCCESSFUL IMPLEMENTATION OF THE AGREEMENTS.

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 AFRICA 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. DEFENSE SALES HAVE TO 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 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 SOUTH
AFRICA,
THROUGH THE COMPLIANCE AGREEMENTS, HAVE ESTABLISHED A
MUTUALLY

SATISFACTORY MECHANISM THAT WILL HELP PREVENT SIMILAR VIOLATIONS.

M S M a i l

DATE-TIME 03 March 97 09:58
FROM Davis, William K.
CLASSIFICATION UNCLASSIFIED
SUBJECT Legislative Issues [UNCLASSIFIED]
TO Fuerth, Leon S.
Wise, William M.
CARBON_COPY Babcock, Douglas W.
Bendick, Gordon L.
Boulton, Darrien D.
Bujold, Noelle D.
Burrell, Christina L.
Danvers, William C.
Davis, William K.
Elkind, Jonathan H.
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

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 06 March 97 11:08
FROM Davis, William K.
CLASSIFICATION CONFIDENTIAL
SUBJECT FW: Kerrick Nonpaper ~~CONFIDENTIAL~~
TO Lindsay, James M.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

DECLASSIFIED
E.O. 13526 5/16/2017
White House Guidelines, September 11, 2006
By V2 NARA, Date 7/7/2019
2006-1363-f(3)

Jim,
looks great - two minor edits, but nothing substantive. Bill is fine with
it too. thanks

From: Lindsay, James M.
To: Davis, William K.
CC: /R, Record at A1
Subject: Kerrick Nonpaper ~~CONFIDENTIAL~~
Date: Thursday, March 06, 1997 09:35 AM

[[REORG2.DOC : 2895 in REORG2.DOC]]

Will,

Here's the first cut at the non-paper on reorganization. Do you think we
need to reorder the options to reflect the degree to which they change the
structure? It strikes me as odd that the first option is a variant of the
status quo, the second is to gut the entire structure and start again, the
third is a variant of the status quo, and so forth. Also, do you think we
need to comment on the appeal each option would have on the Hill?

Jim

ATTACHMENT
FILE DATE 6 March 97 11:7

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 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 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: This would retain the separate identities of the four agencies and retain 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 as 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 improve; ties between development and relief programs and diplomatic and economic policy initiatives 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 appointed jointly by the President and the Congress to examine proposals for consolidation and reform of the foreign affairs agencies. 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. The fact that the commission would be a joint executive-legislative initiative would give it additional credibility on the Hill.

Cons: Because the commission's recommendations are non-binding, opponents will argue that it will simply kick the issue down the road. 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

intents and 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 20 March 97 00:29
FROM Murray, Lori E.
CLASSIFICATION UNCLASSIFIED
SUBJECT CWC Press Guidance [UNCLASSIFIED]
TO Johnson, David T.
Rubin, Eric S.
Wozniak, Natalie S.
CARBON_COPY Bendick, Gordon L.
Danvers, William C.
Harris, Elisa D.
Bell, Robert G.
Blinken, Antony J.
Johnson, David T.
TEXT_BODY [[PGHELMS.DOC : 4 in PGHELMS.DOC]]
The attached press guidance anticipates questions regarding tonights floor statement by Senator Helms on CWC. Comments welcome.
ATTACHMENT FILE DATE 20 March 97 0:23
ATTACHMENT FILE NAME PGHELMS.DOC

CHEMICAL WEAPONS CONVENTION

Q: What is your reaction to Senator Helms statement that the Administration has delayed responding to his request for negotiations with his staff over the CWC and that we have been treating the negotiations between the Administration and the "Lott Group" as an empty exercise?

A:

☐ In early January, the President and the Majority Leader agreed to work together to try to address the concerns of members of the Republican caucus regarding the Chemical Weapons Convention.

☐ We have been negotiating in good faith with Majority Leader Lott and the group he has put together from his caucus. National Security Adviser Berger has led the Administration team which has

met four times with the Lott group. These principal meetings have been followed by four extensive senior staff sessions. All totaled there have been over 30 hours of negotiations. Senator Helms has also met separately with Senator Biden.

☐ Senator Helms has participated as a member of the Lott group. He has placed about 30 conditions on the table which have been a central part of the negotiating effort. The Administration has offered about 20 conditions.

☐ We believe progress has been made and that we have a framework for a unanimous consent agreement. We believe there are more than 15 conditions where agreement is possible. We have identified a shorter list of conditions which will need to be debated and voted on.

☐ The Administration has been dedicated in its efforts to address the concerns of some of the members of the Republican caucus. We have agreed in these sessions to move well beyond the conditions in the resolution of ratification that was on the Senate calendar last September. Our objective has been to work with the Majority Leader and the members of his CWC task force to facilitate a timely debate in the Senate on the Convention prior to April 29, when the Convention comes into force.

Q: Senator Helms claims that unless the Administration satisfies his key concerns over the Treaty it will never reach the Senate floor. He has also said that the Administration needs to address his broader concerns regarding State Department reorganization, UN reform, and the handling of other arms control treaties in the Senate. How do you respond to these demands?

A:

☐ We have been in extensive negotiations with Senator Helms and his staff regarding the Chemical Weapons Convention. We disagree with Senator Helms that this treaty will do nothing to reduce the dangers of poison gas. We believe that the CWC is in our national security interests. This agreement, which was negotiated by President Reagan and President Bush and concluded by President Bush, has had strong bipartisan support over the years.

☐ We have identified a list of key issues where we cannot agree with

Senator Helms' proposed conditions. This is mainly because they would have the effect of postponing indefinitely our ability to join the Convention and to benefit from the arms control regime it establishes.

☐ In each of these outstanding areas, we have proposed alternative conditions. After hours of extensive negotiations on both the member and senior staff level, we believe these outstanding issues and alternative conditions should be debated and voted upon. The Senate should work its will on advice and consent on this important treaty.

☐ Regarding the broader issues that Senator Helms has raised, while the Administration is prepared to continue to address these issues, direct linkage with the CWC is a prescription for inaction, which we cannot afford as the clock ticks on entry into force of this agreement.

Q: Senator Helms claims the April 29 date is a "chicken little" deadline with no meaning and that the Administration is trying to blackmail the Senate.

A:

☐ April 29 is a real deadline with real consequences. The Chemical Weapons Convention comes into force on April 29. Without positive Senate action before that date, there will be significant political, economic, and diplomatic costs.

☐ If Congress fails to act positively, Americans will be less secure. We will deny ourselves access to the treaty's tools against rogue states and terrorists who seek to acquire chemical weapons. We will deny ourselves the ability to require other states to do what we are doing already on our own--getting rid of our chemical weapons.

☐ Without ratification the credibility of American leadership across the full range of proliferation issues will be undermined.

☐ The United States will also lose its seat on the governing body implementing the treaty. Americans will be ineligible to serve as inspectors. And, Americans now serving as head of key posts,

including security, administration, and industrial inspections will be replaced by nationals from countries that have ratified the Convention.

□ American chemical companies will also begin losing sales to their overseas competitors, as mandatory trade sanctions against non-parties phase in. Without ratification, the chemical industry will feel the brunt of the treaty's sanctions, which they estimate could put at risk as much as \$600 million in sales and many jobs.

□ The Chemical Weapons Convention has been before the Senate since November 1993. There have been over 13 hearings, hundreds of questions answered for the record and numerous briefings provided to both members and staff. These efforts have continued in this new Congress as well.

M S M a i l

DATE-TIME 20 March 97 02:09
FROM Murray, Lori E.
CLASSIFICATION UNCLASSIFIED
SUBJECT Helms Condition [UNCLASSIFIED]
TO Bendick, Gordon L.
CARBON_COPY Harris, Elisa D.
Bell, Robert G.
TEXT_BODY
[[HELMS2.DOC : 536 in HELMS2.DOC]]

Here are the points on the Helms condition you asked for last night. If
there's time, I'd like at least Elisa to comment...

**ATTACHMENT
FILE DATE** 20 March 97 2:7
**ATTACHMENT
FILE NAME** HELMS2.DOC

Suggested Talking Points on Helms Condition

Helms Condition: The CWC's verification provisions (inspection and reporting requirements) will not apply to those companies that do not voluntarily submit to such procedures until such time as Russia, China, and Iran deposit their instruments of ratification. (This is a condition that Senator Helms' staff has indicated must be agreed to before Senator Helms allows the Senate to consider the Chemical Weapons Convention.)

** Under this condition, the United States would deposit its instruments of ratification, pay its assessment, but not abide by the terms of the verification provisions until Russia, China and Iran ratify.

** The result of this condition is that we would be paying our full

assessment, but not participating in the regime and, consequently, not receiving any of its benefits until these three countries ratify.

Senator Helms has expressed serious concerns about our financial contribution to the CWC organization. Nevertheless, in this condition, he is demanding that we all agree that we pay our money and get nothing for it.

** Not abiding by the verification provisions would put us in non-compliance and therefore subject to suspension of our rights, including possibly losing our seat on the Executive Council. An important reason for joining the Convention by April 29 when the Convention comes into force is precisely to gain a seat on the Executive Council. This condition would deny us that benefit.

** Our non-participation in the verification regime would also deny us any information which can help us detect potential proliferators or terrorists. And, it would deny us any ability to enforce compliance by other nations, including through the issuance of challenge inspections.

** The message we would be sending the international community by joining this Convention but allowing individual US facilities to decide whether to abide by its terms would be debilitating to arms control efforts in general. We would be telling other nations that we consider legally binding constraints--which is what arms control is all about--to be irrelevant. While ostensibly becoming a party to a regime, we would allow individual facilities to decide voluntarily whether to comply. Would we want individual facilities in Iran, China, Russia or any other country for that matter, to be able to make the same determination irregardless of the commitments their government has undertaken? This condition would not only viscerate the verification regime, it would viscerate the arms control regime.

** This condition would not promote ratification in any of the three states of concern but instead give leverage to those factions within these countries who do not want their governments to be

parties. Russia has just submitted the CWC to its parliament and is clearly worried that the train is leaving the station without them--that the treaty will enter into force on April 29 with the US as an original party but with Russia on the outside looking in. With this condition, our message to the Duma would be don't worry, take your time, we are not going to be a party until you decide when. We will be handing over to the Russians, Chinese and Iranians, the decisionmaking power of determine our participation in this Convention.

M S M a i l

DATE-TIME 20 March 97 21:11
FROM Murray, Lori E.
CLASSIFICATION UNCLASSIFIED
SUBJECT POTUS Press Guidance on CWC [UNCLASSIFIED]
TO Johnson, David T.
Rubin, Eric S.
Wozniak, Natalie S.
Johnson, David T.
CARBON_COPY Bell, Robert G.
Blinken, Antony J.
TEXT_BODY [[PGHELMS2.DOC : 5381 in PGHELMS2.DOC]]

Attached is revised press guidance on CWC.
**ATTACHMENT
FILE DATE** 20 March 97 21:5
**ATTACHMENT
FILE NAME** PGHELMS2.DOC

CHEMICAL WEAPONS CONVENTION

Q: What is your reaction to Senator Helms statement that the Administration has delayed responding to his request for negotiations with his staff over the CWC?

A:

☐ In early January, the Majority Leader and I agreed to work together to try to address the concerns of members of the Republican caucus regarding the Chemical Weapons Convention.

☐ We have been negotiating in good faith. National Security Adviser Berger has led the Administration team which has met four times with the Majority Leader's task force. These principal meetings have been followed by four extensive senior staff sessions.

☐ Senator Helms, who is a member of the Lott group, has proposed about 30 conditions and in nearly every case we have either reached agreement on a compromise formulation that can be accepted by the Senate or identified a reasonable alternative, leaving it to the Senate to decide between the two.

☐ Our objective has been to work with the Majority Leader and the members of his CWC task force to facilitate a timely debate in the Senate on the Convention prior to April 29, when the Convention comes into force. I welcome Senator Lott's statement on Thursday that he is working a process to get the CWC done in April and that it is not his intention to stonewall on this.

Q: Senator Helms claims that unless the Administration satisfies his key concerns over the Treaty it will never reach the Senate floor and that the Administration needs to address his broader concerns regarding State Department reorganization, UN reform, and the handling of other arms control treaties in the Senate.

A:

☐ We disagree with Senator Helms that this treaty will do nothing to reduce the dangers of poison gas. During our extensive negotiations with Senator Helms and his staff, we have identified a list of key issues where we cannot agree with Senator Helms' proposed conditions. We believe these outstanding issues and our proposed alternative conditions should be debated and voted upon.

☐ While the Administration is prepared to continue to address the broader issues Senator Helms has raised, direct linkage with the CWC is a prescription for inaction, which we cannot afford as the clock ticks on entry into force of this agreement.

Q: Senator Helms claims the April 29 date is a "chicken little" deadline with no meaning and that the Administration is trying to blackmail the Senate.

A:

☐ April 29 is a real deadline with real consequences. If Congress fails to act positively, we will deny ourselves access to the treaty's tools against rogue states and terrorists who seek to acquire chemical weapons. We will deny ourselves the ability to require other states to do what we are doing already on our own--getting rid of our chemical weapons.

☐ Without ratification the credibility of American leadership across the full range of proliferation issues will be undermined. The United States will also lose its seat on the governing body implementing the treaty.

☐ American chemical companies will also begin losing sales to

their
overseas competitors, as mandatory trade sanctions against
non-parties phase in.

M S M a i l

DATE-TIME 27 March 97 19:13
FROM Murray, Lori E.
CLASSIFICATION UNCLASSIFIED
SUBJECT CWC gameplan [UNCLASSIFIED]
TO Blinken, Antony J.
Harris, Elisa D.
CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

[[CWCGP.DOC : 4899 in CWCGP.DOC]]
Tony, Elisa--attached is a draft CWC gameplan which tries to integrate the most essential components of a CWC leg strategy and public diplomacy strategy into a three week breakdown. For your review and input. Danvers, Gordy all have copies too.

**ATTACHMENT
FILE DATE** 27 March 97 19:8
**ATTACHMENT
FILE NAME** CWCGP.DOC

CWC GAMEPLAN

Getting to the final vote on CWC will require a dedicated, focused and coordinated effort between now and a final vote the week of April 14.

We continue to face a determined and energized opposition in the Senate whose strategy includes personal member to member contact.

Senator Kyl and Senator Helms are aggressively working this issue and Senator Helms' staff are also meeting with Republican members to keep them informed on the negotiations with the Administration. At least one freshmen member who came in as a blank slate on this issue is now considered leaning against, mainly due to the personal efforts of Senator Kyl.

The opponents, led by Senator Kyl, have introduced an alternative

piece of legislation. Since this was dropped in just before the recess, we have an opportunity to help frame opinion on this issue.

We must act aggressively over the next three weeks in order to ensure a successful vote for this agreement. While we should continue to press our main themes, including military support/advantages, throughout the remaining weeks, two themes that we should emphasize in an effort to undercut the alternative are industry support and the long-term, sustained, bipartisan US leadership which resulted in the successful conclusion of this international agreement.

Key components to a legislative strategy include the following:

- ☐ concluding, before the end of the recess, a package of conditions with Senator Helms;
- ☐ negotiating a UC the week of April 7;
- ☐ Republican Senators actively seeking support for the package of conditions;
- ☐ Administration principals actively seeking support for conditions package; and
- ☐ coordinating closely with Bush Administration officials, industry and the NGOs;
- ☐ daily morning coordination meetings should begin at NSC (including White House leg) week of April 7 (POTUS drop by first one chaired by SRB to emphasize importance of mission to staff).

Week of March 24

- ☐ blast fax on Kyl alternative;
- ☐ Bell writes Kirkpatrick/Cheney letter signatories about concerned addressed in negotiations (especially those invited to White House event, (Haig, Wolfowitz)

Week of March 31

- ☐ complete negotiation on conditions package;
- ☐ Berger to McCain/Stevens/Lugar ask them to work individual members
to explain how far the condition package goes to address concerns;
- ☐ complete point papers on conditions that will be debated;
- ☐ prepare draft, and POTUS works all President's letter for Ford library event (April 7);
- ☐ Cohen op-ed April 4, Washington Post;
- ☐ April 4 White House event; secure signatures on Scowcroft/Kassebaum-Baker-Boren letter;
- ☐ Two blast faxes: verifiability--White House event;
- ☐ Hold principals meeting to give out assignments on Senators and points;
- ☐ Bell/Murray meet with Webber/McInerney to discuss business/former military efforts;
- ☐ Bell/Murray meet with NGOs to debrief on Hill negotiations and discuss weeks of April 7-14;
- ☐ Debriefs for all supporters not attending White House event on Hill negotiations(could include Adelman, Lehman etc., by phone calls Bell, Murray);
- ☐ April 6 Sunday shows principals;

Week of April 7

- ☐ POTUS secures all Presidents letter April 7;
- ☐ All Democratic letter to Lott asking for UC;
- ☐ April 8 Plan floor statements on urgency of CWC;
- ☐ Secure UC agreement--debate begins April 14-vote April 19;
- ☐ Daily blast faxes begin--debunking myths/positive message;
- ☐ POTUS calls Bush and debriefs as to where we are after UC

concluded;

- ☐ POTUS calls Dole and tells him of negotiated conditions; hopes concerns addressed and asks support;
- ☐ POTUS meets with Lugar/Biden;
- ☐ Brown/Laird/ Carlucci op-ed April 9;
- ☐ SFRC hearing April 9--Cohen, Albright, Shali (may be out if town);
- ☐ Berger briefs Frosh Senators;
- ☐ Bell/Murray selectively brief Republican staff supporters and swing votes;
- ☐ Bell briefs Democratic staff;
- ☐ Bell/Murray begin briefings of Republican members (supporters and swings) on condition package;
- ☐ White House leg affairs calls all Dems and asks support;
- ☐ Berger/Cohen/Albright begin member calls about conditions agreed to and why CWC needs support/why alternative is not an alternative;
- ☐ Targeted business visits;
- ☐ Targeted former military/veteran group visits;
- ☐ Calls coordinated with Powell, Scowcroft, Eagleburger, Laird, Baker;
- ☐ POTUS radio address April 12;
- ☐ Lugar hosts Scowcroft lunch for small group of swing Republican Senators.

Week of April 14

- ☐ Nightline April 14;
- ☐ Daily blast faxes continue;

- ☐ Vice President does targeted rounds/calls on Hill based on feedback Cohen/Albright;
- ☐ President does targeted calls on Hill based on feedback Cohen/Albright;
- ☐ Other principals continue targeted calls based on individual concerns of key Senators (Reno, Shali, Daley);
- ☐ Bush calls;
- ☐ Powell, Scowcroft, Eagleburger targeted calls continue;
- ☐ Eagleburger op-ed April 14;
- ☐ Former Chiefs op-ed Powell, Crowe, Jones (or letter).

M S M a i l

DATE-TIME 02 April 97 12:56
FROM Quinn, Mary E.
CLASSIFICATION UNCLASSIFIED
SUBJECT CHANGE TO PACKAGE 2230 [UNCLASSIFIED]

TO Alijanil, Leyla
Carter, Michael E.
Darnes, Victoria J.
Ficklin, John W.
Hasman, Thomas M.
Marsh, Thomas S.
Porter, Gidell
Sanborn, Daniel R. K.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Attached is change to package 2230 -- page 2 tick 5 ---- transitional to transnational.

I will send hard copies in 1:00p run.

[[2230B.DOC : 3142 in 2230B.DOC]]Thanks.

**ATTACHMENT
FILE DATE** 2 April 97 12:53

**ATTACHMENT
FILE NAME** 2230B.DOC

POINTS TO BE MADE AT MEET AND GREET

Why CWC is Important

☐ Your presence underscores broad bipartisan support the CWC enjoys.

☐ Know you agree this treaty is in our national interest. Will help reduce the chemical threat to our soldiers and our citizens.

☐ Well before the CWC was concluded, Congress directed the destruction of the vast majority of our chemical weapons stockpile.

The CWC will require that others do the same, under strict international supervision.

- ☐ Moreover, the elimination of our chemical weapons will not deny us a militarily useful tool. As JCS Chairman Shalikashvili has said, Desert Storm proved that we don't need chemical weapons to deter the use of chemical weapons against our forces.
- ☐ CWC will also make it harder and more costly for terrorists to acquire or use chemical weapons by eliminating existing stockpiles and restricting the flow of chemicals that can be used to make chemical weapons.
- ☐ Recognize that the CWC will not "solve" either the proliferation or terrorism problem. But it is a key element of any effective response.
- ☐ Need your help in pressing for a successful Senate vote in the weeks ahead.

Treaty Status in Senate

- ☐ Since January, we have been negotiating in good faith with Majority Leader Lott and a group he has put together in an effort to address the concerns of some members of the Republican caucus about the treaty.
- ☐ During these discussions, Senator Helms has proposed about 30 conditions, and in nearly every case, we have either reached agreement on a compromise or identified a reasonable alternative, leaving it to the Senate to decide between the two.
- ☐ Our objective has been to work with the Majority Leader and his CWC task force to facilitate a Senate vote by mid-April so we can deposit our instrument of ratification prior to April 29, when the treaty comes into force.
- ☐ CWC has been before the Senate since November 1993. There have been 13 Senate hearings, hundreds of questions answered for the record and numerous briefings of both members and staff.
- ☐

☐ We have moved well beyond the resolution of ratification that was on the Senate calendar last September. It's now time for the Senate to debate and vote.

Importance of April 29 Deadline

☐ April 29 is a real deadline with real consequences. If Congress fails to act before then, Americans will be less secure. Will be denied access to CWC's tools against rogue states and terrorists who seek to acquire chemical weapons. Will also be denied the ability to require other states to do what we are already doing -- getting out of the chemical weapons business.

☐ Without ratification, the credibility of American leadership across a full range of transnational issues will be undermined.

☐ The United States will also lose its seat on the governing body implementing the treaty. Americans will be ineligible to serve as inspectors. And Americans now serving in key posts, including as head of security, administration, and industry inspections, will be replaced by nationals from countries that have ratified.

☐ American chemical companies will also begin losing sales to overseas competitors, as mandatory trade sanctions against non-parties phase in. Industry estimates this could put at risk as much as \$600 million in sales and many jobs.

M S M a i l

DATE-TIME 03 April 97 23:04
FROM Murray, Lori E.
CLASSIFICATION UNCLASSIFIED
SUBJECT Berger Points for Biden Meeting [UNCLASSIFIED]
TO Andreasen, Steven P.
Bell, Robert G.
Bendick, Gordon L.
Danvers, William C.
Harris, Elisa D.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY [[BERGER.DOC : 5976 in BERGER.DOC]]
Please provide any comments asap, so we can get to Berger as early as possible Friday morning.
**ATTACHMENT
FILE DATE** 3 April 97 23:1
**ATTACHMENT
FILE NAME** BERGER.DOC

POINTS FOR MEETING WITH BIDEN

BACKGROUND

In your meeting with Senator Biden you need to address three main areas: the state of play on the Biden/Helms staff negotiations, the Senate Foreign Relations Committee hearings and the endgame for achieving a unanimous consent agreement.

Regarding the Biden/Helms staff negotiations, Biden's staff have isolated those issues they believe should be handled on the members level between Biden and Helms. You need to underscore with Biden your concern that we are very close to crossing a line of acceptability in the negotiations. You should also use this meeting to reach a shared understanding with Biden on which items remain unagreed and, therefore, would require a debate and vote on the floor. One of Biden's staffs main concerns is the RCA issue and their

belief that the Administration's condition may not pass.

Regarding Helms' hearings, you need to get the most recent state of play from Biden and to work jointly to make sure that there are as few hearings as possible, that the Administration is appropriately represented, and that the rules governing questions for the record, etc. are set so that they are manageable and do not interfere with the negotiation of a unanimous consent agreement and the actual floor consideration itself. Right now, the hearing situation is very confused.

Finally, you need to coordinate with Biden an endgame strategy for successfully negotiating a unanimous consent agreement by the beginning of next week that would allow for a debate the week of April 14 and a vote on the 19th.

POINTS

- ☐ Our main goal should be completing the discussions with Senator Helms, no later than Monday, so that negotiations can start on a unanimous consent agreement by Tuesday. Our objective should be a debate and vote the week of April 14.
- ☐ From working with your staff, this outline is our understanding of where the negotiations stand on the conditions. (hand over attachment)
- ☐ You and I and our respective staffs have put many hours into this effort and we have bent over backwards to address Senator Helms' concerns. While I believe that these efforts will give members the necessary confidence to vote for the Convention, I am concerned that we may be getting close on some of these issues to almost crossing over the line of acceptability for us.
- ☐ Reviewing this list, it is clear that there are issues that we will just not reach agreement on with Senator Helms, including those issues regarding Russia, RCAs, verification, and Senator Helms' new condition which amends Article X and XI. Our staffs

need to work together on alternative language that we believe can win the vote.

☐ I know RCAs is one issue where your staff has some concern about whether our alternative will be able to get the necessary votes. Even watering down the Helms resolution to an understanding would leave us in the very difficult position where we would have to have a statement disagreeing with the Senate understanding.

☐ Bob is scheduled to meet with John McCain next week to discuss our alternative and seek his support. I recognize that we may need to decide on how to proceed with this issue before that. What are your views on how we should approach this issue?

☐ Managing the SFRC hearings so that they do not undermine our efforts is critical. I believe it is in our interests to have as few hearings as possible.

☐ We need to ensure that Administration witnesses are allowed to testify under appropriate arrangements. We also need to make sure we have adequate protections that further hearings will not be requested, that a new report will not have to be issued and that the Chairman won't use questions for the record as a delaying tactic for a vote.

☐ I should also mention that both Secretary Cohen and Chairman Shalikashvili will be out of the country until April 12. What is your understanding of the Chairman's intentions on hearings?

☐ As we discussed earlier, the framework for the UC should be a vote on the agreed package of amendments followed by a debate and vote on the outstanding conditions and the alternatives. What is your view on the best way to proceed on the UC negotiations once you and Senator Helms have wrapped up your negotiations?

M S M a i l

DATE-TIME 04 April 97 09:20
FROM Murray, Lori E.
CLASSIFICATION UNCLASSIFIED
SUBJECT [UNCLASSIFIED]
TO Andreasen, Steven P.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY
[[BIDEN3.DOC : 2345 in BIDEN3.DOC]]
Steve this is the attachment that should accompany the points. Thanks
**ATTACHMENT
FILE DATE** 4 April 97 9:19
**ATTACHMENT
FILE NAME** BIDEN3.DOC

Conditions for the Resolution of Ratification

Agreed 14 Under Negotiation 7 No Agreement 9 (Bold)

- (1) Effect of Article XXII--agreed
- (2) Limitation on the Scale of Assessment--unacceptable, unless joint resolution is replaced with appropriate legislation or similar language.
- (3) Financial Contributions--Agreed
- (4) Establishment of an Internal Oversight Office--Agreed
- (5) Cost-Sharing Arrangements--Agreed
- (6) Intelligence Sharing and Safeguards--under negotiation
- (7) Amendments to Convention--Agreed
- (8) Russian Elimination of Chemical Weapons--No Agreement
- (9) Chemical Weapons in Countries Other Than Russia--No Agreement

- (10) Criteria For United States Assistance to Russia--No Agreement
- (11) Continuing Vitality of the Australia Group--Under negotiation; must decide formulation for diplomatic contacts, description of effectiveness.
- (12) Negative Security Assurances--Agreed
- (13) Protection of Advanced Biotechnology--Agreed
- (14) Monitoring and Verification of Compliance--Under negotiation need to find list of countries.
- (15) Enhancements to Robust Chemical and Biological Defenses-- Agreed
- (16) Noncompliance--Agreed
- (17) Primacy of United States Constitution--Agreed
- (18) Financing Russian Implementation--Agreed
- (19) Assistance Under Article X--Under negotiation check countries.
- (20) Riot Control Agents--No Agreement.
- (21) Protection of Confidential Information--Under negotiated
- (22) Constitutional Prerogatives--Agreed
- (23) Laboratory Sample Analysis--Agreed
- (24) Designation of Inspectors--No Agreement
- (25) Amendments to the Annex on Chemicals--No Agreement
- (26) Constitutional Protection Against Unreasonable Search and Seizure--Under negotiation--criminal warrants for declared facilities is a problem.
- (27) Effect on Terrorism--Agreed
- (28) Stemming the proliferation of Chemical Weapons--No Agreement
- (29) Essential Verifiability--No Agreement
- (30) Constitutional Separation of Powers. Under negotiation, Senate declaration may be acceptable.

Three more conditions may be added: OSIA and industry inspections
(Biden) Byrd-Biden revised (Helms) Section 33 Foreign Assistance Act (Biden).

Senator Helms has also indicated that he may offer a condition which would not allow US deposit until Russia, China, and Iran ratify. No language has been shared and the issue has not come up in the most recent staff meetings.

M S M a i l

DATE-TIME 07 April 97 13:59
FROM Alijanil, Leyla
CLASSIFICATION UNCLASSIFIED
SUBJECT CFE Response [UNCLASSIFIED]
TO Witkowsky, Anne A.
CARBON_COPY Alijanil, Leyla
Andreasen, Steven P.
Bell, Robert G.
Bendick, Gordon L.
Bouchard, Joseph F.
Carter, Michael E.
Darnes, Victoria J.
Ficklin, John W.
Hasman, Thomas M.
Kelly, Sandra L.
Langley, Janice M.
Marsh, Thomas S.
Millison, Cathy L.
Mulligan, George D.
Murray, Lori E.
Porter, Gidell
Sanborn, Daniel R. K.
Seaton, James B.

TEXT_BODY

FYI:

Package 2142 - CFE Response to Letter from Senator Helms has been signed by Berger. However, the original letter to Senator Helms has not been dispatched as of yet. Per Cathy Millison, we will hold this letter until further instruction.

MSMail

DATE-TIME 07 April 97 14:43

FROM Burrell, Christina L.

CLASSIFICATION UNCLASSIFIED

SUBJECT For Concurrence [UNCLASSIFIED]

TO Murray, Lori E.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Memo has to be across the street by 3:00 today. Thanks.

[[2324.DOC : 3681 in 2324.DOC]] [[2324POT.DOC : 3682 in 2324POT.DOC]][[CWCPTS.DOC : 3683 in CWCPTS.DOC]][[MYTHFACT.DOC : 3684 in MYTHFACT.DOC]][[2324PART.DOC : 3685 in 2324PART.DOC]]

ATTACHMENT FILE DATE 7 April 97 13:54

ATTACHMENT FILE NAME 2324.DOC
2324

April 7, 1997

INFORMATION

MEMORANDUM FOR SANDY BERGER

FROM: BILL DANVERS

SUBJECT: Presidential Meeting with Senators on CWC

The President is scheduled to meet with a group of Senators on Wednesday, April 9 at 6:00 PM in the Cabinet Room to discuss Senate ratification of the CWC. The purpose of this meeting is to try

to
get the 67 votes necessary for ratification.

We have attached a memo to the President (Tab I), talking points (Tab A), a list of invitees from the Hill, as well as suggested Administration participants (Tab B), and additional background information (Tab C).

Concurrences by: Bob Bell, Lori Murray, Elisa Harris

Attachments
Tab I Memo to the President
Tab A Talking Points
Tab B List of Participants
Tab C Background Information

**ATTACHMENT
FILE DATE**

7 April 97 14:5

**ATTACHMENT
FILE NAME**

2324POT.DOC
2324

MEETING WITH
SELECTED MEMBERS OF THE SENATE
DATE: April 9, 1997
LOCATION: Cabinet Room
TIME: 6:00PM

FROM: SAMUEL BERGER
JOHN HILLEY

I. PURPOSE

To discuss Senate ratification of the Chemical Weapons
Convention and to convince Senators to support the treaty.

II. BACKGROUND

We are working to get the resolution of ratification to the

Senate floor by the week of April 14.

Ideally, we would like to see a common resolution of ratification agreed upon by proponents and opponents of the bill, plus a vote on amendments on issues that have not been resolved. As you know, we need 67 votes to pass the resolution of ratification, but we would only need a simple majority to defeat amendments to the resolution of ratification with which we disagree. This approach has not yet been agreed to by Sen. Helms or Sen. Lott. We are presently working with them on crafting a unanimous consent request that would encompass the aforementioned approach plus a date certain next week for a vote.

The resolution of ratification has to be passed by the end of the week of April 14 in order for the U.S. to deposit the resolution of ratification by April 29 when the treaty goes into effect.

III. PARTICIPANTS

Attached at Tab B.

IV. PRESS PLAN

None.

V. SEQUENCE

You begin meeting with brief remarks, then turn to Secretary Albright and others for additional brief remarks.

Attachments
Tab A Talking Points
Tab B List of Participants
Tab C Background Information

**ATTACHMENT
FILE DATE**

7 April 97 13:57

**ATTACHMENT
FILE NAME**

CWCPTS.DOC

CWC Points for POTUS Hill Meeting

Why Support The Treaty

- ☐ Need your support for the Chemical Weapons Convention which I hope will be before the Senate this month.
- ☐ Enjoys broad bipartisan support: President Bush, Colin Powell, Larry Eagleburger, Brent Scowcroft, Jim Baker, Sam Nunn, Dave Boren and other leading Republican and Democratic foreign policy experts support the treaty.
- ☐ Treaty is in our national interest. Will help reduce the chemical threat to our soldiers and our citizens.
- ☐ Well before the CWC was concluded in 1993, Congress directed the destruction of the vast majority of our chemical weapons stockpile. The CWC will require that others do the same, under strict international supervision.
- ☐ Moreover, the elimination of our chemical weapons will not deny us a militarily useful tool. As JCS Chairman Shalikashvili and other military leaders have said, Desert Storm proved that we don't need chemical weapons to deter the use of chemical weapons against our forces.
- ☐ CWC will also help us deal with the threat of chemical terrorism.
By eliminating existing stockpiles and sanctioning the flow of chemicals that can be used to make chemical weapons, the treaty will make it harder and more costly for terrorists to acquire or use chemical weapons.
- ☐ We recognize that the CWC will not "solve" either the proliferation or terrorism problem. But we genuinely believe that it is a key element of any effective response.

Process Toward Senate Action

- ☐ Since January, we have been negotiating in good faith with Majority Leader Lott and a group he has put together in an effort to address the concerns of some members of the Republican caucus about the treaty.

☐ During these discussions, Senator Helms has proposed about 30 conditions, and in nearly every case, with Senator Biden's help we have either reached agreement on a compromise or identified a reasonable alternative, leaving it to the Senate to decide between the two.

☐ Our objective has been to work with the Majority Leader and the members of his CWC task force to facilitate a timely debate and vote on the resolution of ratification in the Senate by mid-April so the United States can deposit the instruments of ratification on the Convention prior to April 29, when the Convention comes into force.

☐

☐ In short, we have moved well beyond the resolution of ratification that was on the Senate calendar last September. It's now time for the Senate to debate and vote.

Why April 29 Deadline is Important

☐ April 29 is a real deadline with real consequences. If Congress fails to act positively, we will deny ourselves access to the treaty's tools against rogue states and terrorists who seek to acquire chemical weapons. We will be on the outside of this landmark arms control regime the U.S. led in negotiating, subject to its penalties, rather than on the inside designing its procedures. The credibility of American leadership across the full range of proliferation issues will be undermined.

☐ The United States will also lose its seat on the governing body implementing the treaty. Americans will be ineligible to serve as inspectors. And, Americans now serving as head of key posts, including security, administration, and industrial inspections will

be replaced by nationals from countries that have ratified the Convention.

☐ American chemical companies will also begin losing sales to their overseas competitors, as mandatory trade sanctions against non-parties phase in. Without ratification, the chemical industry will feel the brunt of the treaty's sanctions, which they estimate could put at risk as much as \$600 million in sales and many jobs.

☐ The Chemical Weapons Convention has been before the Senate since November 1993. There have been over 13 hearings, hundreds of questions answered for the record and numerous briefings provided to both members and staff. These efforts have continued in this new Congress as well.

**ATTACHMENT
FILE DATE**

7 April 97 13:48

**ATTACHMENT
FILE NAME**

MYTHFACT.DOC

CWC FACTS AND FICTION

The Chemical Weapons Convention has been before the Senate since November 1993, when it was submitted by President Clinton. Over the past three and a half years, the Senate has held 13 hearings on the treaty and the Administration has conducted dozens of briefings for Senators and their staff. The Administration has provided the Senate more than 1500 pages of information on the CWC -- over 300 pages of testimony, over 500 pages of answers to letters and reports, over 400 pages of answers to questions for the record, and over 300 pages of other documentation. In April 1996, the Senate Committee on Foreign Relations voted the treaty out of Committee by a strong bipartisan majority, 13-5. Despite this thorough scrutiny and debate, opponents continue to raise concerns about the treaty. For the record here are the facts, not the fiction, about the CWC:

The Deterrence Fiction: By ratifying the CWC, the United States will surrender a vital deterrent to chemical attack.

The Facts:

_ This treaty is really about other countries' weapons, not our own. Well before the Bush Administration signed the CWC, President Reagan signed the law requiring the United States to destroy the bulk of our chemical weapons arsenal. The CWC will help ensure that other countries follow our lead.

_ As the Bush and Clinton administrations have understood, we don't need chemical weapons to deter chemical weapons. We have the world's most powerful military. Saddam Hussein refrained from using his chemical stockpile during the Persian Gulf War not because he feared retaliation in kind, but because he feared retaliation of comparable or greater magnitude. As JCS Chairman General Shalikashvili has said: "Desert Storm proved that retaliation in kind is not required to deter the use of chemical weapons.... From a military perspective, the Chemical Weapons Convention is clearly in our national interest."

_ The CWC allows parties to maintain robust chemical weapons defense programs to help further deter the acquisition or use of chemical weapons.

The Rogue States Fiction: Because rogue states will refuse to join the treaty, it will tie our hands but not theirs.

The Facts:

_ The CWC will shrink the chemical weapons problem down to a few rogue states and help curb their ability to obtain the materials to make chemical weapons.

_ Under a law signed by President Reagan, the United States is destroying the bulk of our chemical weapons. Our military has decided we are better off without them. So, whether or not we ratify the CWC, we are getting out of the chemical weapons business. By ratifying,

we can set an example for others and pressure them to follow our lead.

_ Non-Party states will be affected. Over time, they will be shut out of the market for many "dual use" chemicals that can be used to make both chemical agents and commercial products like ink. Such states will find it much more difficult to produce or acquire chemical weapons. By imposing permanent trade restrictions against non-members, the CWC will generate permanent pressure on them to sign up -- or be excluded from the world's chemical markets.

_ Right now, without the CWC, about twenty countries are suspected of pursuing chemical weapons programs. With the treaty, they will fall into one of two camps: 1) those that suffer trade restrictions and a clear cut stigma as pariah states; 2) those that have agreed to allow short-notice inspections of any suspicious site. This is clearly better than the status quo.

_ As General Schwarzkopf has said, "We don't need chemical weapons to fight our future warfares. And frankly, by not ratifying that treaty, we align ourselves with nations like Libya and North Korea, and I'd just as soon not be associated with those thugs in that particular matter."

The Verification Fiction: The treaty is unverifiable.

The Facts:

_ Opponents of the CWC would make the perfect the enemy of the good. Verification is never perfect -- but perfection is the wrong standard. We have laws on the books that prohibit tax evasion or burglary or murder not because they are guaranteed to prevent these acts, but because such laws make crimes less likely to occur. Similarly, the CWC strengthens our hand against chemical weapons cheaters -- without it we have no hand at all, for chemical weapons are perfectly legal to make and prepare for use. And significant violations will be more readily detected because of the treaty's verification regime.

_ In fact, the CWC is the most extensive arms control treaty yet. Its inspectors will have the right to conduct short notice inspections wherever they suspect prohibited activities are being carried out, coupled with access to inspection technologies that will pose important new barriers to cheating. The treaty's verification provisions cover every aspect of a chemical weapons program from development through production, stockpiling, transfer and use. The treaty also ties the United States into a global verification network and strengthens our access to information about other countries. It gives us new tools to deal with problems we must face with or without the CWC -- the threats of chemical weapons proliferation and chemical weapon terrorism.

_ The military use of chemical weapons typically requires significant testing, equipping and training of forces that will be more difficult to hide in the face of a vigorous on-site inspection regime. Such an effort would more likely be detected with the CWC's verification measures than without them.

_ The allegation that the treaty is unverifiable is ironic, given fearmongering from the same quarters about the treaty's allegedly draconian inspection and reporting requirements. How can it be both too tough and not tough enough?

The Proliferation Fiction: The treaty explicitly obligates members to facilitate the transfer of militarily relevant chemical technology to untrustworthy countries that can become parties.

The Facts:

_ It would be strange indeed if a treaty expressly devoted to eliminating chemical weapons required members to help build them. In fact, the CWC does just the opposite. To help any country build chemical weapons is absolutely prohibited. The CWC reads: "Each Party... undertakes never under any circumstances to develop, produce, otherwise acquire, stockpile or retain chemical weapons, or transfer, directly or indirectly, chemical weapons to anyone.

Each State Party shall adopt the necessary measures to ensure that toxic chemicals and their precursors are only developed, produced, otherwise acquired, retained, transferred or used within its territory... for purposes not prohibited under this Convention."

_ This false alarm may be based on a misreading of language in the Treaty: "...States Parties shall facilitate... and have the right to participate in... exchange of chemicals, equipment, and... information relating to... chemistry." This provision is explicitly restricted to exchanges for "purposes not prohibited under the Convention." It merely affirms the right of the parties to engage in chemical commerce for peaceful purposes (e.g. industrial, agricultural, research, pharmaceutical, medical or other pursuits) as they do today. A state with chemical weapons aspirations has no treaty right to anything that furthers those aspirations. And nothing in the treaty requires the elimination of our export controls on chemical materials and equipment.

The Vigilance Fiction: It would make us less vigilant about the need to maintain defenses against chemical threats.

The Facts:

_ Following this logic, we should give chemical weapons to our potential adversaries to be sure we are reminded to defend against them. There is nothing inevitable about arms control agreements lessening our resolve to defend against the threat in question. This is a matter of political will here at home -- it has nothing to do with the treaty, which encourages defenses against chemical weapons.

_ The Clinton Administration is committed to maintaining a robust program to equip and train our troops against chemical and biological attack. We have asked Congress to increase the Defense Department's budget for chem/bio defense by \$225 million over the next six years.

The Riot Control Agent Fiction: It will prohibit our forces from using tear gas in the future.

The Facts:

_ The use of RCAs is unrestrained by the CWC for peacetime uses.

Thus, RCAs may be used
in normal peacekeeping operations, law enforcement operations,
humanitarian and disaster
relief operations, counter-terrorist and hostage rescue
operations and noncombatant rescue
operations outside of internal or international armed conflict.

_ RCAs may also be used in other situations, including when U.S.
forces are conducting:
peacetime military operations within an area of ongoing armed
conflict when the U.S. is not
a party to the conflict (such as Somalia, Bosnia and Rwanda);
consensual peacetime
operations when the receiving state has authorized the use of
force (including Chapter VI
operations); and, peacekeeping operations under Chapter VII
authority of the Security
Council.

_ In all such cases, so long as U.S. forces, or the coalition in
which U.S. forces are
participating, do not become engaged in a use of force of a
scope, duration and intensity
which would trigger the laws of war, the CWC would not restrict
our RCA use options,
including against combatants who are parties to the conflict

_ The CWC does not apply to all uses of RCAs in an armed conflict.
When the U.S. is a party
to such a conflict, only the use of RCAs where combatants are
present is restricted. The use
of RCAs solely against noncombatants for law enforcement, riot
control, or other
non-combat purposes would not be prohibited.

_ Finally, the President has made clear that he is committed to
accelerating efforts to field
non-chemical, non-lethal alternatives to RCAs for use in those
situations where the use of
RCAs is proscribed.

The Burdens on Business Fiction: Business opposes the treaty
because it will impose huge
reporting and inspection burdens on 8,000 American companies that
use chemicals regulated by
the Convention.

The Facts:

_ Wrong on all counts. The chemical industry, which worked closely with the Reagan and Bush Administrations during the CWC negotiations, strongly supports ratification. The Chemical Manufacturers Association (CMA), the Synthetic Organic Chemical Manufacturers Association (SOCMA), the Pharmaceutical Research and Manufacturers of America (PhRMA) and other major trade organizations support the CWC and say it will not pose an undue burden on business. Small business, through the National Federation of Independent Business (NFIB), called treaty opponent's claims that it opposed the treaty "100% incorrect" (Wall Street Journal, 2/14/97). An NFIB official predicted its members "are not going to be impacted."

_ The facts: Under the CWC, about 140 companies will likely be subject to routine inspections and more detailed reporting requirements. Many are members of CMA, which strongly supports the CWC. The rest of the businesses covered -- approximately 1,800 companies -- are producers of large volumes of covered chemicals -- not, as misinformed critics allege, users of chemicals like soap, tire and paint makers.

_ More than 90 percent of the industry facilities covered by the treaty will be required to do little more than fill out a two-page form once a year. Moreover, we expect that challenge inspections in the U.S. will be directed largely at military facilities.

_ What the critics fail to point out is the cost to American business if we fail to ratify. The CMA has estimated that up to \$600 million a year in sales by American chemical companies and many jobs will be at risk from mandatory trade restrictions designed to pressure rogue states to join.

The Trade Secrets Fiction: It could jeopardize confidential business information through frivolous "challenge inspections" with extraordinary access to files, data and equipment and inspectors themselves could be spies (e.g. Chinese inspectors.)

The Facts:

_ In fact, the Chemical Manufacturers Association, which strongly supports the CWC, helped write the rules covering confidential business information -- protecting trade secrets was its top priority during the treaty negotiations. Then, CMA "test drove" the treaty during seven full fledged trial inspections at chemical facilities to make sure protections against industrial espionage were strong. They are.

_ Further, the treaty gives our government the right to reject ahead of time for any reason any inspectors we believe may try to spy at U.S. facilities.

_ Fearmongering about the treaty's draconian inspection tools is ironic, given allegations by opponents that the treaty is unverifiable -- which is it, too tough or not tough enough?

The Constitutionality Fiction: It might involve unreasonable searches and seizures that violate the 4th Amendment to the Constitution.

The Facts:

_ At the insistence of the United States, the CWC explicitly allows members to take into account their constitutional obligations when providing access for a challenge inspection. Both the CWC and its draft implementing legislation fully protect U.S. citizens, including businesses, from unreasonable search and seizure. In addition, sensitive equipment, information or areas not related to chemical weapons can be protected during challenge inspections using managed access techniques.

_ Because the U.S. chemical industry fully supports the CWC, the Administration anticipates inspection access to be granted voluntarily in almost all cases. In the rare cases where access is denied, the implementing legislation contains procedures for requesting and issuing search warrants.

_ As Attorney General Reno wrote to Majority Leader Lott, the "constitutional concerns [of the

treaty's opponents] are unfounded. The dictates of the 4th Amendment have been scrupulously honored in the drafting and will be rigidly followed in the implementation."

The Cost Fiction: American taxpayers will bear substantial annual costs of membership.

The Facts:

_ For FY98, the Administration has requested \$25 million for meeting our CWC assessment and an additional \$21 million for multilateral verification at U.S. chemical weapons-related facilities, should that be necessary. That amounts to about 20 cents from every American. This is a far cry from the \$200 million pricetag critics cite without basis. Less than a quarter from each American is a small price to pay to improve the safety of our troops on the battlefield and our citizens at home -- and a bargain compared to the losses American business could incur if we fail to ratify.

The Deadline Fiction: The April 29 deadline is of no consequence and is of the Administration's own making.

The Facts:

_ In fact, failure to ratify by April 29 will have significant adverse consequences for America's security and American business.

_ Our ability to oversee the first critical days and months of implementation of the treaty will be lost -- Americans who now head up the divisions that monitor the treaty's budget, security measures and industry inspections will be replaced by individuals from countries that have ratified the treaty. Moreover, Americans will not be able to be hired as inspectors.

_ Hundreds of millions of dollars in sales by American chemical companies and many jobs will be at risk as a result of mandatory trade restrictions originally designed to pressure rogue states to join.

_ And failure to ratify would relegate us to the back benches with international pariahs such as Libya and North Korea, squandering our international leadership

in the fight against chemical weapons and other weapons of mass destruction.

The Pull Back Fiction: Last September, the Administration pulled the CWC back from the Senate for fear it would unnecessarily burden U.S. industry.

The Facts:

_ In fact, the treaty was put on hold in the midst of the Presidential campaign because, as Republican Senator Richard Lugar explained, "The whole process was politicized in a way that would be harmful to our foreign policy. This is not a good time for the debate."

_ As detailed above, the leading trade organizations and small business all support the CWC and say it will not pose an undue burden on business.

The Russia Loophole Fiction: Treaty loopholes will allow Russia to produce new classes of nerve agents.

The Facts:

_ In fact, the CWC was explicitly written to account for technological change by making all chemical weapons illegal, whether or not they are currently listed on its Schedules of Chemicals (which, in any event, are illustrative, not exhaustive). The Treaty also explicitly provides for expanding the list as new agents are identified. And it provides new tools for monitoring emerging chemical weapons threats, such as challenge inspections.

The Linkage Fiction: The U.S. should only deposit its instrument of ratification after Russia ratifies.

The Facts:

_ This approach would give hard-liners in Russia the power to decide whether the U.S. ever becomes a Party to the treaty. By "just saying no," the Duma could ensure that neither the U.S. nor Russia ever joins, thus allowing Russia to keep its

chemical weapons stockpile.

President Yeltsin's recent decision to submit the CWC to the Duma and to press for prompt Russian ratification is evidence that Moscow is worried about U.S. ratification. Rejecting the linkage approach will make clear to Russia that the train is leaving the station on April 29 with the U.S. on board and Russia left behind.

The Pressure on Others to Ratify Fiction: To pressure the Senate, the Administration encouraged other countries to approve the treaty and trigger entry into force.

The Facts:

President Bush's Secretary of State, Lawrence Eagleburger, signed the treaty in January 1993. The almost four years it took for the 65th ratification to trigger entry into force on its face undercuts any claim this inevitable moment of truth was rushed.

**ATTACHMENT
FILE DATE**

7 April 97 13:32

**ATTACHMENT
FILE NAME**

2324PART.DOC

CWC POTUS MEETING LIST

Hill

Biden

Bingaman

Levin

Lugar

McCain

DeWine

Grassley

Coats

Hatch

Jeffords

Collins

Warner

Domenici

Hagel

Mack

Smith (Oregon)

Stevens
Roberts
Gorton
Coats
Thomas
Thompson
Gregg
Hutchison (ARK)
Bennett
Allard
Burns
Campbell
Abraham
Brownback
Enzi
Sessions
McConnell
Santorum

Administration

POTUS
VPOTUS
Secretary Albright
Secretary Daley
Ambassador Richardson
Deputy Secretary White
General Ralston
Sandy Berger
John Hilley
Leon Fuerth
Jim Steinberg
John Holum
General Byron
Bob Bell
Goody Marshall

M S M a i l

DATE-TIME 08 April 97 10:07
FROM Wise, William M.
CLASSIFICATION UNCLASSIFIED
SUBJECT China [UNCLASSIFIED]
TO Norris, John J.
CARBON_COPY Babcock, Douglas W.
Woolston, Ann E.
TEXT_BODY

John: A couple of China items --

1. We would like to talk with Sandy Kristoff and/or Bob Suettinger a few minutes before Berger's 4:15 PM meeting today re pros and cons of VP meeting with Martin Lee and whatever else is on Berger's agenda for that meeting.
2. Need copy of the two human rights covenants.
3. ASAP need a short background paper and TP's for VP call to Sen Helms either today (preferable) or tomorrow (if necessary). Note that the primary reason for calling Helms is to report back on Chinese response to Helms' interest in visiting China. Meeting also provides opportunity to clarify some misinformation in the press w/o being defensive or making a specific point. For example, VP can assure Helms that he raised all the issues in China that VP told Helms he would raise, including nonproliferation, human rights, etc.
4. Cancel the meeting with USG Asia persons re VP trip. If there is anyone who would have attended the meeting and does not already have a debrief on the trip, let me know.

M S M a i l

DATE-TIME 08 April 97 14:29
FROM Sonenshine, Tara D.
CLASSIFICATION ***** CLASSIFICATION NOT FOUND *****
SUBJECT for inclusion in your memo
TO Danvers, William C.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY [[2230B.DOC : 3624 in 2230B.DOC]]

**ATTACHMENT
FILE DATE** 8 April 97 14:17

**ATTACHMENT
FILE NAME** 2230B.DOC

CWC Points for Hill Meeting

Why Support the Treaty

☐ Need your support for the Chemical Weapons Convention, which we expect to be voted on in next two weeks.

☐ Last Friday, had the honor of hosting broad-based, bipartisan group of treaty supporters here at White House, including former Sec State James Baker, former JCS Chairman Colin Powell, former Reagan arms control advisors Paul Nitze and Ed Rowny and 100 other prominent former government officials, retired military officers, veterans, small and large business leaders, religious leaders, scientists and arms control experts.

☐ Prior to event, received two important letters expressing strong support for ratification. First was from former National Security Advisor Brent Scowcroft and former Senators Kassebaum and Boren.

☐ Second letter was from 17 retired flag officers, including three former Chairmen of the JCS (Powell, Vessey, Jones), five former Service Chiefs (McPeak, Mundy, Sullivan, Zumwalt and Dugan), Norman Schwarzkopf and 8 other Generals and Admirals.

☐ These letters join previous letters/expressions of support from

former President Bush, Larry Eagleburger, former Senator Sam Nunn and many other leading Republican and Democratic officials.

☐ Would like to spend a few minutes outlining some of reasons why all of these people, with such diverse backgrounds and political views, believe CWC is in our national security interest.

☐ First, because it will reduce the chemical threat to our soldiers in the future. Well before the CWC was concluded, Congress directed the destruction of the vast majority of our chemical weapons stockpile. The CWC will require that others do the same, under strict international supervision. That is why every Chairman of the JCS since the Carter Administration -- General David Jones, General John Vessey, Admiral William Crowe, General Colin Powell, and General Shali -- as well as former Secretaries of Defense Melvin Laird, Harold Brown and William Perry support this treaty.

☐ Second, because our participation is a tangible demonstration of our willingness to lead international efforts against CW proliferation and other transnational problems. That is why former President Bush and former Secretaries of State Baker and Eagleburger support this treaty.

☐ Third, because the treaty's declaration and inspection provisions will help the Intelligence Community do a better job of monitoring CW programs worldwide -- a task they face with or without the CWC. That is why former CIA Directors Gates, Woolsey and Deutch and Acting DCI Tenet all support this treaty.

☐ Fourth, because it will give us new tools to deal with the emerging threat of CW terrorism. By eliminating existing stockpiles and restricting the flow of chemicals that can be used to make chemical weapons, the CWC will make it harder and more costly for terrorists to acquire or use chemical weapons. That is why Janet Reno, the International Union of Police Associations, the International Brotherhood of Police Officers and the National Association of Police Organizations all support this treaty.

☐ Fifth, because it will ensure a level playing field for our chemical companies, our largest exporters, by requiring all parties to control trade with non-parties in certain dual-use chemicals that can be used to make chemical weapons. If we are not a

party,
our chemical companies will face CWC-mandated trade restrictions
which could cost hundreds of millions of dollars a year in sales.

That is why the Chemical Manufacturers Association, the Synthetic
Organic Chemical Manufacturers Association and the Pharmaceutical
Research and Manufacturers of America all support the treaty.

☐ Finally, because it will establish a global norm against the
possession of poison gas, thus making any attempts to develop or
use it not only immoral but illegal. That is why the
Anti-Defamation League, B'nai B'rith, the U.S. Catholic
Conference,
the Presbyterian Church, the Episcopal Church, the United
Methodist Church and so many other religious organizations
support
this treaty.

☐ Recognize that the CWC will not "solve" the chemical weapons
problem. But it is a key element of any effective response.

Treaty Status in Senate

☐ Since January, we have been negotiating in good faith with
Majority Leader Lott and a group he has put together in an effort
to address the concerns of some members of the Republican caucus
about the treaty.

☐ During these discussions, Senator Helms has proposed about 30
conditions, and in nearly every case, we have either reached
agreement on a compromise or identified a reasonable alternative,
leaving it to the Senate to decide between the two.

☐ Our objective has been to work with the Majority Leader and his
CWC task force to facilitate a Senate vote by mid-April so we can
deposit our instrument of ratification prior to April 29, when
the
treaty comes into force.

☐ CWC has been before the Senate since November 1993. There have
been 13 Senate hearings, hundreds of questions answered for the
record and numerous briefings of both members and staff.

☐

☐ We have moved well beyond the resolution of ratification that was on the Senate calendar last September. It's now time for the Senate to debate and vote.

Importance of April 29 Deadline

☐ April 29 is a real deadline with real consequences. If Congress fails to act before then, Americans will be less secure. Will be denied access to CWC's tools against rogue states and terrorists who seek to acquire chemical weapons. Will also be denied the ability to require other states to do what we are already doing -- getting out of the chemical weapons business.

☐ Without ratification, the credibility of American leadership across a full range of transnational issues will be undermined.

☐ The United States will also lose its seat on the governing body implementing the treaty. Americans will be ineligible to serve as inspectors. And Americans now serving in key posts, including as head of security, administration, and industry inspections, will be replaced by nationals from countries that have ratified.

☐ American chemical companies will also begin losing sales to overseas competitors, as mandatory trade sanctions against non-parties phase in. Industry estimates this could put at risk as much as \$600 million in sales and many jobs.

M S M a i l

DATE-TIME 15 April 97 12:53
FROM Davis, William K.
CLASSIFICATION CONFIDENTIAL
SUBJECT FW: Reorg Next Steps [CONFIDENTIAL]
TO Lindsay, James M.
CARBON_COPY Danvers, William C.
TEXT_BODY

Jim, a few minor comments

From: Lindsay, James M.
To: Davis, William K.; Ragan, Richard F.
CC: /R, Record at A1
Subject: Reorg Next Steps [CONFIDENTIAL]
Date: Tuesday, April 15, 1997 11:33 AM

[[STEPS-1.DOC : 3164 in STEPS-1.DOC]]

Will and Richard,

I've been tasked to come up with a short list of next steps to go in a cover memo to the President re reorg. I'd appreciate any comments, additions or edits to the attached. To keep the people across the street smiling, I need the feedback by early afternoon.

Thanks,

Jim

ATTACHMENT
FILE DATE 15 April 97 12:53

ATTACHMENT
FILE NAME STEPS-1.DOC

Next Steps

If you decide to reorganize the foreign policy apparatus, we will need to move quickly to communicate that decision to the affected agencies, to the Hill and to the public. After it is decided when and how you will announce your decision, we will take the following

DECLASSIFIED
E.O. 13526 5/16/2017
White House Guidelines, September 11, 2000
By h NARA, Date 2/7/2014
2006 - 1363 - F(3)

steps:

The Administration

- ☐ Notify the Secretary of State and agency heads so that they may inform their staff of the decision.
- ☐ Direct the Secretary of State to appoint a reorganization "czar" to oversee all reinvention and reorganization efforts (if you select options A, C or D).
- ☐ Appoint an interagency task force to coordinate the reinvention effort or review. The task force will be composed of representatives from State, ACDA, AID, USIA, NSC, OMB and OVP. (Under Option B, OMB chairs the task force.)
- ☐ Prepare any necessary legislative requests for reorganization authority.

Capitol Hill

- ☐ Notify the Congressional leadership and other relevant members of your decision. We recommend that you call Speaker Gingrich, Minority Leader Gephardt, Majority Leader Lott, and Minority Leader Daschle. We will ask Secretary Albright to call Senator Helms and other members.
- ☐ Arrange briefings for relevant Congressional committees.
- ☐ Submit legislation requesting reorganization authority.

The Public

- ☐ Prepare fact sheets and other briefing materials to support your announcement.
- ☐ Hold background briefings for the news media.
- ☐ Brief nongovernmental organizations that have been vocal on the issue of reorganization.
- ☐ Arrange for prominent foreign policy experts from both political parties to endorse your decision.

M S M a i l

DATE-TIME 29 April 97 16:04
FROM Burrell, Christina L.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: [UNCLASSIFIED]
TO Bendick, Gordon L.
Danvers, William C.
Davis, William K.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

DECLASSIFIED
E.O. 13526 5/16/2017
White House Guidelines, September 11, 2006
By 17 NARA, Date 2/7/2014
2006-1363-F (7)

FYI in case anyone asks for copy of foreign policy retreat submissions.

From: Millison, Cathy L.
To: Burrell, Christina L.
CC: /R, Record at A1
Subject: [UNCLASSIFIED]
Date: Tuesday, April 29, 1997 03:35 PM

[[2315PTS.DOC : 4135 in 2315PTS.DOC]]

Chris:

Took me awhile to find these. Here's what we did for the foreign policy retreat

ATTACHMENT FILE DATE 16 April 97 17:5
ATTACHMENT FILE NAME 2315PTS.DOC
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
Reason: 1.5 (b)(d)
Declassify on: 04/11/07
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
SEGMENT I: EUROPE (6:30-7:30 P.M.)

EUROPEAN SECURITY/NATO ENLARGEMENT

NATO enlargement priority for second term -- key test of American leadership. Requires Senate ratification, House support because of new

security commitments.

Now that the Cold War is over, why place so much emphasis on Europe, expend so much energy on NATO?

☐ European security vital U.S. interest; through NATO adaptation, NATO enlargement, enhanced PFP, NATO-Russia and OSCE, have opportunity, for first time in history, to build secure, undivided, democratic Europe.

Won't enlargement just dilute European security?

☐ NATO enlargement will project stability and security into all of Europe; will strengthen and safeguard region's democratic and free-market transformation.

☐ Prospect of NATO membership strengthening democratic forces in Eastern Europe, weakening nationalists, promoting resolution of regional disputes (e.g., Hungary-Romania).

Aren't you letting Russia set terms of enlargement? Conversely, won't enlargement isolate Russia and threaten its democracy?

☐ Helsinki put NATO-Russia on track without sacrificing enlargement, which is moving forward on schedule. Russia should have a voice, but no veto.

☐ NATO-Russia relationship -- via Charter, formal consultative mechanism -- can bring Russia into emerging security system.

What are the costs and how did you calculate them?

☐ U.S. costs affordable: \$150-200M per year. Costs to new members also affordable -- as CEE governments already said.

☐ Current threat low. Defense of new members possible through assuring the capability for reinforcement and modernization of new members' forces.

☐ Therefore, NATO concluded no need to permanently station substantial NATO combat forces; no intention or need to deploy nuclear forces on soil of new members.

☐ New NATO members will be valuable, committed members. IFOR -- where

Poles, Czechs, others have combat troops; Hungary supplying bases

--

shows CEE will make meaningful contribution.

Why not EU enlargement vice NATO?

☐ EU, NATO enlargement part of same historic process. Both important, not mutually exclusive.

☐ EU not equipped to be lead organization for European security and integration, as Bosnia demonstrated. Key to long-term European stability is U.S. engagement and leadership, which comes only through NATO.

Will the American people support enlargement?

☐ Americans not isolationist: Majority (62%) support NATO enlargement to Poland, Czech, Hungary; 68% would favor defending Poland with U.S. troops.

Why enlarge NATO absent a threat?

☐ Need NATO enlargement for same reason we need NATO: America's core alliance in uncertain world. Cannot foresee all threats, but know preparedness deters them. Through enlargement can extend same stability to Central Europe that Western Europe enjoyed for 45 years.

☐ Failure to enlarge NATO would betray our traditions and America's role throughout 20th century. Must not exclude countries that have demonstrated commitment to defend our common values and to share in common burdens.

RUSSIA

Aren't the reformers fighting an uphill battle?

☐ Yeltsin back in charge. New team has potential to take on economic problems that overshadow everything else in Russia.

☐ Yeltsin showed at Helsinki ready to tackle tough issues and make decisions.

☐ Russian reform -- and bilateral relations - likely be bumpy road, but overall direction positive.

☐ As we continue to support reform, will also maintain commitment to sovereignty and independence of other NIS, like Ukraine.

Wasn't Helsinki just an agreement to disagree on NATO?

☐ Summit re-energized U.S.-Russian relations.

☐ Turned corner on NATO enlargement. Russia opposed, but ready to develop NATO-Russia relationship. If we can get Charter nailed down, possibility of signing before Madrid.

☐ Important progress on arms control: START, ABM/TMD.

☐ Defined path to stimulate trade and investment; will bolster reform in Russia and mean new jobs for Americans.

Why are you asking for more money in your FY 98 budget for assistance to the NIS?

☐ Bipartisan support critical, especially for FY 98 Partnership for Freedom request. Funding for Russia, NIS will promote trade and investment, lock in reforms, expand people-to-people contacts that will forge important ties with tomorrow's leaders.

BOSNIA

What have we accomplished in Bosnia other than to enforce artificial peace that will collapse when we leave?

☐ In summer of 1995, bloodiest conflict in Europe since World War II raged. Few believed peace possible; many questioned NATO's role in post-Cold War era.

☐ Since then, U.S. leadership produced Dayton Accords, and revitalized NATO helped consolidate peace, providing environment for political reconciliation and economic reconstruction.

☐ Efforts in Bosnia have exceeded expectations:

☐ Implemented military aspects of Dayton with no combat casualties; held national elections in September; created joint national institutions; returned more than 200,000 refugees.

☐ U.S.-led, Train-and-Equip program building stable military balance and facilitating formation of joint defense structures.

☐ Making progress on economic reconstruction, especially in Bosniak-Croat Federation. Today, Sarajevo bustles with reconstruction; hundreds of cafes, shops, banks and other commercial endeavors open.

Why didn't we call it a day when the IFOR mandate ended?

☐ Still have long way to go: must do more to rebuild economy, create jobs, stimulate investment. Need greater cooperation from parties on freedom of movement and return of refugees.

☐ Bosnian people, with help of international NGOs, must assume responsibility for building own future.

☐ SFOR will provide stability and confidence for Bosnian people to continue toward these goals. Withdrawal of U.S. forces in mid-1998 should give sufficient time to ensure self-sustaining peace.

Why not cut our losses and get out now?

☐ Early, unilateral withdrawal of U.S. troops would endanger progress made since Dayton. Could lead to resumption of war with resulting crisis in NATO; would erode U.S. credibility and leadership around world.

☐ Strongly urge your support for our efforts in Bosnia. Stability in Europe central to U.S. interests, as is preserving U.S. leadership of strong, effective NATO as it embarks on enlargement and new partnership with Russia.

SEGMENT II: Dinner and Discussion (8:00 - 8:45 p.m.)

RESOURCES AND REORGANIZATION

You're asking for more money for foreign affairs. What will we get out of it?

☐ Foreign affairs programs small part of federal budget -- about 1% of spending. But that 1% pays enormous dividends.

☐ Helps us to avoid wars and save lives; stems inflow of illegal drugs; helps us in war on terrorism; promotes democracy and other

American values; and stimulates American exports and jobs.

☐ My budget calls for increasing international affairs spending by \$1.4 billion. Funding increase will enable us to sustain American global leadership and continue existing programs such as trade promotion activities that generate \$15 to \$20 billion in exports each year and support more than 300,000 jobs.

How can you be asking us to spend more on foreign affairs when we're trying to balance the budget?

☐ International affairs spending has fallen by roughly 20%, in real terms, over past four years. Steep decline has diminished ability to influence events overseas, raised serious questions about our willingness to remain engaged in international arena and cost us opportunities to promote American exports and jobs.

☐ Further reductions will create bigger problems for us down road.

Are we ever going to see a reorganization plan?

☐ Recognize there is great deal of speculation surrounding reorganization of foreign affairs organizations.

☐ Know some Members believe there must be significant change in international affairs agencies.

☐ As Secretary Albright has told Chairman Helms, we want to work with you on improving the coherence and effectiveness of the international affairs agencies.

☐ A high-level Administration working group is now concluding a careful examination of various proposals for improving the efficiency and effectiveness of the international affairs agencies. Working very hard developing a proposal on reorganization.

☐ Will forward my own proposal shortly so that we can begin more detailed discussions with you.

UN ARREARS

Why should we throw money at a bloated bureaucracy like the U.N.?

☐ UN is important instrument of U.S. foreign policy. Serves

American interests in range of areas from refugee assistance, disease control and air traffic control. Its peacekeepers promote American interests around globe.

☐ Committed to American participation and leadership in reformed UN and to paying our financial obligations, but must insist on real reform.

Have you seen any signs of progress on reform?

☐ UN and member states have heard our message. UN reform primary motivation for insisting on new UN leadership -- and they understand we are committed to working with you to develop tough, but achievable, benchmarks that make UN more effective and accountable.

☐ Pleased with initial steps of Kofi Annan. Believe stage set for improved relations between U.S. and UN.

☐ Appreciate offer by Senator Lott to lead Task Force on UN Reform. Secretary Albright, OMB Director Raines and Ambassador Richardson have reported to me on progress of group.

What's your plan for paying our debts and dues while keeping reform on track?

☐ My last budget request is straightforward:

☐ UN commits to reduce future U.S. assessments to roughly amount Congress approved past two years, with no new arrears.

☐ With your support, USG would offer advance appropriation to cover our arrears, but it would not be available until FY 99 and would be disbursed if agreed benchmarks met.

☐ Your early consideration of proposal would give our diplomats leverage they need in difficult negotiations. Many nations at point they do not believe American promises to repay arrears to UN. UN members need to see legitimate offer if they are to make the reforms we demand.

☐ Need to get this done within next weeks to have effect on budgetary changes being considered for 1998 and 1999.

PARTNERSHIP FOR FREEDOM

What have we gotten out of our assistance to the NIS?

☐ Assistance working: two-thirds NIS under democratically elected leaders in emerging market economies; and two-thirds of Russia's economy now privatized. U.S. assistance can make change endure.

Why this new Partnership for Freedom initiative? What are the goals?

☐ Entrenching democracy, market economies advances overarching national interest in seeing NIS develop as partners of America; \$900 million under Partnership for Freedom real investment in peace and security that merits bipartisan support.

☐ Priority one is to tackle barriers to investment, fight crime, lock in economic reform, open region's vast resources to American business. Our efforts can leverage billions of dollars in trade and investment, which means jobs for Americans at home.

☐ Priority two is to bolster generational change, strengthen democracy; want to double people-to-people exchanges and support American foundations, volunteer groups to build civil society, focus on grass roots.

☐ Convinced after Helsinki time is ripe; Yeltsin committed to bold reform agenda; leaders of Ukraine, Georgia, other NIS committed to make reform irreversible.

CHEMICAL WEAPONS CONVENTION

Who Supports the Treaty?

☐ Ten days ago, hosted broad-based, bipartisan group of treaty supporters at White House: James Baker, Colin Powell, Paul Nitze and Ed Rowny, 100 other prominent, former government officials, retired military officers, veterans, business leaders, religious leaders, scientists and arms control experts.

☐ Treaty has "made in America" written all over it: started by Reagan

Administration, completed and signed by Bush Administration, submitted to Senate by my administration where many Republicans as well as Democrats support ratification..

Why Support the Treaty?

- ☐ First, reduces chemical threat to our soldiers. A decade ago, well before CWC concluded, Congress directed destruction of majority of our chemical weapons stockpile. CWC requires others do same, under strict international supervision. That's why every Chairman of JCS since 1976 -- General David Jones, General John Vessey, Admiral William Crowe, General Colin Powell and General Shali -- and former Secretaries of Defense Mel Laird, Harold Brown and Bill Perry -- support treaty.
- ☐ Second, our participation is tangible demonstration of international efforts against CW proliferation and other transnational problems. That is why former President Bush and former Secretaries of State Baker and Eagleburger support treaty.
- ☐ Third, treaty's declaration and inspection provisions will help Intelligence Community do better job of monitoring CW programs worldwide -- task they face with or without CWC. That is why former CIA Directors Gates, Woolsey and Deutch and Acting DCI Tenet support treaty.
- ☐ Fourth, gives us new tools to deal with emerging threat of CW terrorism. By eliminating existing stockpiles and restricting flow of chemicals used to make chemical weapons, CWC makes it harder and more costly for terrorists to acquire or use chemical weapons. That is why Janet Reno, International Union of Police Associations, International Brotherhood of Police Officers and National Association of Police Organizations support treaty.
- ☐ Fifth, provides level playing field for our chemical companies, our largest exporters, by requiring all parties to control trade with non-parties in dual-use chemicals that can be used to make chemical weapons. If we are not party, our chemical companies face CWC-mandated trade restrictions that could cost hundreds of millions of dollars a year in sales. That is why Chemical Manufacturers Association, Synthetic Organic Chemical Manufacturers Association and

Pharmaceutical Research and Manufacturers of America support treaty.

☐ Finally, establishes global norm against possession of poison gas, thus making any attempts to develop or use it not only immoral but illegal. That is why Anti-Defamation League, B'nai B'rith, U.S. Catholic Conference, Presbyterian Church, the Episcopal Church, United Methodist Church and so many other religious organizations support treaty.

☐ Recognize CWC will not "solve" chemical weapons problem, but it is key element of any effective response.

What is Treaty Status in Senate?

☐ Since January, have negotiated in good faith with Majority Leader Lott and group he put together in effort to address concerns of some members of the Republican caucus about treaty.

☐ During these discussions, Senator Helms has proposed about 30 conditions, and in nearly every case, we have either reached agreement on compromise or identified reasonable alternative, leaving it to Senate to decide between two.

☐ Will work with Majority Leader and CWC task force to facilitate Senate vote by mid-April, so we can deposit our instrument of ratification prior to April 29, when treaty enters force.

☐ We have moved well beyond resolution of ratification on Senate calendar last September. Now time for Senate to vote.

What's the Importance of April 29 Deadline?

☐ April 29 is real deadline with real consequences. If Congress fails to act, Americans will be less secure. Will be denied access to CWC's tools against rogue states and terrorists who seek to acquire chemical weapons. Also denied ability to require other states to do what we are already doing -- get out of chemical weapons business.

☐ Without ratification, credibility of American leadership across range of transnational issues undermined.

☐ The United States will also lose its seat on the governing body implementing the treaty. Americans will be ineligible to serve as inspectors.

☐ American chemical companies will begin losing sales to overseas

competitors, as mandatory trade sanctions against non-parties phase in. Industry estimates this could put at risk as much as \$600 million in sales and many jobs.

FAST-TRACK

Why do you need fast track authority?

- ☐ Every President since Ford has had fast track authority for key periods with bipartisan support. That is because Congress has consistently recognized the President must have authority to break down foreign trade barriers.
- ☐ That authority is even more essential today. The rapidly expanding global economy is an inescapable fact of our time. Over the past 50 years, global trade has increased 90-fold. Today, 11 million American jobs are supported by exports, including one in five manufacturing jobs. These are good jobs, paying 13-16% more than the average wage. Over the next decade, global trade is expected to grow at three times the rate of the U.S. economy. In a world where over 95% of the world's consumers live outside the U.S., we have only one choice: we must export.
- ☐ If we don't act, our competitors will. MERCOSUR is a developing customs union with ambitions to expand to all of South America; the EU has begun a process to reach free trade with MERCOSUR; China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities"; Japan has undertaken high-level efforts in Asia and Latin America. The cost of our inaction is high. Canada's free trade agreement with Chile helped cause Canada's Northern Talcum to win a \$180 million telecommunications contract over three U.S. companies - in part because it could avoid paying \$20 million worth of duties.

How can we and why should we compete with developing nations who pay their workers less and don't meet the same tough labor and environmental standards?

- ☐ The U.S. is perfectly positioned to seize these opportunities. We have nothing to fear. The U.S. economy is the envy of the world. We have enjoyed the longest period of sustained growth of all of our G-7 partners. Over the last four years, we have created 12 million new jobs, while rest of the G-7 nations combined created 600,000. We have the lowest budget deficit as a percent of GDP of all the

G-7

nations. We are once again the world's largest exporter, the largest producer of semiconductors, the largest producer of automobiles.

☐ And these agreements offer us virtually one-way trade benefits. When the Uruguay Round is phased in, our tariffs will average 2.8%.

Other countries are far higher: India (31%); Thailand and Turkey (26%); Chile and Indonesia (11%). These are virtually one-way deals.

☐ We face a critical choice: whether to seize the initiative or have it seized from us. We can recognize that the American economy is the model for the world, continue to open foreign markets and seize the initiative when it comes to international competition. Or we can convince ourselves - against the evidence - that we are on the wrong track, that we cannot succeed and that we should not move forward. The choice is that clear - and that important. I ask you to work with me in helping us move forward.

What will you use fast track for? What are the potential benefits?

☐ The potential gains are great if we seize them.

Multilateral. For over 50 years, the U.S. has led the world in opening global markets. We can continue that process today. New WTO

negotiations will permit us to further reduce key barriers, such as:

1) Agriculture (\$526 billion global market); and 2) Services (a \$1.2 trillion global services market where U.S. firms exported more than \$220 billion in 1996). Talks in intellectual property and others areas are also important.

Sectoral. The recent Information Technology Agreement cut tariffs on \$500 billion of trade in semiconductors, computers, telecommunications equipment and software, \$5 billion tax cut for American exports. With fast track, we can tear down more barriers in

areas like computer software, medical equipment and environmental technology, areas where America leads the world.

Regional. Continuing regional initiatives present vast opportunities: 1) Latin America and the Caribbean, the fastest growing market for U.S. exports in 1996; and 2) Asia, containing the fastest growing economies in the world, with nearly 3 billion people. Other

efforts with Europe, Africa and other regions.

What about labor and environmental standards?

☐ We need to work out our differences. I know that there are strong feelings on the labor and environment issues - and we need to work those out in a bipartisan fashion. I have asked Ambassador Barshefsky to lead that effort. But we must work through those and move forward.

SEGMENT III: ASIA (Korea, China, MFN) (8:45-9:15 p.m.)

KOREA

What is the status of North Korea's nuclear program?

☐ With help of our allies South Korea and Japan, reached agreement with North Korea on framework that freezes production of nuclear material and eventually eliminates North Korea's nuclear program.

☐ KEDO, an international consortium of contributors, oversees process.

Funding for KEDO and light water reactor project essential to achieving non-nuclear Korean peninsula. Overwhelming bulk of funding picked up by Japan, South Korea. Look to Congress to supply funds to sustain U.S. participation in critical endeavor. (FYI: asking for \$30 million in FY 98 budget.)

What are we doing about the signs of starvation in North Korea?

☐ The North Koreans face severe food shortages; UN estimate shortfall

between 1-2 million tons. We are reviewing appropriate response to most recent international humanitarian appeal for assistance.

Distribution of assistance monitored by World Food Program.

Confident food aid is being delivered to those most in need, particularly children. Appreciate Congressional support for maintaining the U.S. tradition of not using food as a tool to advance

a particular political agenda.

What is the status of the four party peace talks?

☐ Hope that North Korea may now be ready to accept proposal for four-party peace talks I proposed with President Kim last April. Meeting North Koreans next week for further discussion.

- ☐ Also seeking progress on MIA's, missile proliferation.

CHINA

What is there to engage over with China -- aren't our differences so basic and fundamental that your policy is meaningless?

- ☐ China's future has an enormous impact on our interests. Manner in which we engage China in months ahead will affect whether China becomes destabilizing threat or constructive force in Asia and world.
 - ☐ Substantial U.S. interests at stake: need China's cooperation in curbing proliferation of WMD, securing permanent peace on Korean peninsula, alien smuggling, counternarcotics. China will become world's largest economy within 15 years; want access to that market for U.S. exports.
 - ☐ Each of these interests is best served by stable, open, prosperous China that increasingly embraces international trade and nonproliferation rules. Isolating or containing China counterproductive. Want to work with Congress to forge common strategy.
- Doesn't engagement come at the expense of our principles?
- ☐ Engagement does not mean endorsement. Working with Congress we can manage our interests with China soberly and prudently.
 - ☐ Human Rights. Continue to support those in China who stand for freedom and human rights. Sponsored resolution in Geneva.
 - ☐ Hong Kong. Future of Hong Kong remains serious concern as we approach July 1. Working with allies to ensure China understands action that allows Hong Kong's political and economic way of life to continue.
 - ☐ Trade. Expect China to follow international trade rules and norms and live up to its commitments to us. Support WTO membership for China, but only on commercially meaningful terms.
 - ☐ Nonproliferation. Continue to elicit Chinese support in combating proliferation; pressing China to tighten export controls

and cease cooperation with such states as Iran.

Why should we extend MFN?

☐ Failure to extend MFN would undermine all of our interests, and reverse thirty years of bipartisan China policy. MFN revocation would not lead to improve human rights or better non-proliferation record; but would damage not only U.S. jobs but also Taiwan's economy and slash Hong Kong's trade by over \$30 billion.

MISCELLANEOUS

ENCRYPTION

Background

Senator Leahy may raise the topic of encryption. He has cosponsored with Senator Burns two bills to drastically reduce export controls on encryption technology. We oppose these bills and will shortly transmit an Administration draft bill. Leahy is a potential ally, and we look forward to working with him and other Members.

Points (Response to Leahy)

☐ While critical to the growth of commerce and protection of privacy on the Internet, very strong encryption can also harm the public by making it impossible for law enforcement and national security to understand lawfully intercepted messages and seized electronic evidence.

☐ Our approach promotes the use of strong encryption while protecting public safety by encouraging "key recovery," an industry-developed technique that permits a copy of a user's encryption key to be stored and accessible by users or by government entities only under strict conditions.

☐ A balanced encryption policy will promote four objectives: the growth of electronic commerce, the protection of privacy, continued competitiveness of U.S. products and the public safety.

☐ We intend shortly to transmit to the Congress a draft bill that is balanced and focuses on providing the industry with incentives to develop and use key recovery systems, rather than require it. We look forward to working with you in this session of Congress on our bill to promote a balanced approach to this very complex issue.

ZAIRE

Background

We have been told that Congressman Lee Hamilton will attempt to engage you on specific Zaire-related issues at tonight's dinner. He will encourage you to establish an international support group for Zaire, press those states backing Kabila to support a cease-fire and work to gain access to refugees. He may also ask about any discussions the Administration has had with the IFIs on assisting Zaire in a post-Mobutu era.

Points

☐ Strongly support efforts of UN/OAU Special Envoy Sahnoun and the South African Government to find negotiated solution to war in Zaire.

We are pushing for an international support group on Zaire at UN.

☐ Continue to press Kabila and states supporting him to back immediate cease-fire and negotiated settlement. This has been priority. Did again this week.

☐ U.S. pressure resulted in NGO access to refugees. Confident they have access to refugees around Kisangani. Refugee situation stabilizing for many. Other refugees heading for distant borders and NGOs unable to help until they stop moving.

☐ Have engaged IFIs on assisting Zaire following elections. However, Zaire owes more than \$1 billion to these institutions and the IFIs will want to see evidence of meaningful economic reform. We agree on need for engagement and planning for post-Mobutu

BURMA

Background

Members of Congress will be interested in your decision regarding the imposition of sanctions against Burma pursuant to the Cohen-Feinstein legislation. No decision has been announced, though there has been press speculation that absent positive steps now to engage with the opposition and improve respects for human rights, we would impose sanctions.

Points

- ☐ U.S. policy is to oppose repression and support a dialogue between government and democratic opposition led by Aung San Suu Kyi.
- ☐ Cohen-Feinstein provides us with an important tool to further our goals. Administration is closely monitoring SLORC's actions, and I will faithfully implement the law.
- ☐ SLORC has not improved its human rights record; recent instance of crackdown on expressions of political views argue SLORC not likely to adopt more moderate posture.
- ☐ Burmese leaders recognize that they face investment sanctions under U.S. law should the situation not improve.

M S M a i l

DATE-TIME 29 April 97 16:28
FROM Burrell, Christina L.
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: [UNCLASSIFIED]
TO Dowling, J. Nicholas
Feeley, John F.
Marshall, Betty A.
Maxfield, Nancy H.
Peters, Mary A.
Schmidt, John R.
Vershbow, Alexander R.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

FYI. Final points from retreat.

From: Millison, Cathy L.
To: Burrell, Christina L.
CC: /R, Record at A1
Subject: [UNCLASSIFIED]
Date: Tuesday, April 29, 1997 03:35 PM

[[2315PTS.DOC : 4195 in 2315PTS.DOC]]

Chris:

Took me awhile to find these. Here's what we did for the foreign policy retreat

ATTACHMENT
FILE DATE 16 April 97 17:5
ATTACHMENT
FILE NAME 2315PTS.DOC
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
Reason: 1.5 (b)(d)
Declassify on: 04/11/07
~~CONFIDENTIAL~~
~~CONFIDENTIAL~~
SEGMENT I: EUROPE (6:30-7:30 P.M.)

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

EUROPEAN SECURITY/NATO ENLARGEMENT

NATO enlargement priority for second term -- key test of American leadership. Requires Senate ratification, House support because of new security commitments.

Now that the Cold War is over, why place so much emphasis on Europe, expend so much energy on NATO?

☐ European security vital U.S. interest; through NATO adaptation, NATO enlargement, enhanced PFP, NATO-Russia and OSCE, have opportunity, for first time in history, to build secure, undivided, democratic Europe.

Won't enlargement just dilute European security?

☐ NATO enlargement will project stability and security into all of Europe; will strengthen and safeguard region's democratic and free-market transformation.

☐ Prospect of NATO membership strengthening democratic forces in Eastern Europe, weakening nationalists, promoting resolution of regional disputes (e.g., Hungary-Romania).

Aren't you letting Russia set terms of enlargement? Conversely, won't enlargement isolate Russia and threaten its democracy?

☐ Helsinki put NATO-Russia on track without sacrificing enlargement, which is moving forward on schedule. Russia should have a voice, but no veto.

☐ NATO-Russia relationship -- via Charter, formal consultative mechanism -- can bring Russia into emerging security system.

What are the costs and how did you calculate them?

☐ U.S. costs affordable: \$150-200M per year. Costs to new members also affordable -- as CEE governments already said.

☐ Current threat low. Defense of new members possible through assuring the capability for reinforcement and modernization of new members' forces.

☐ Therefore, NATO concluded no need to permanently station substantial NATO combat forces; no intention or need to deploy nuclear forces on

soil of new members.

☐ New NATO members will be valuable, committed members. IFOR -- where Poles, Czechs, others have combat troops; Hungary supplying bases -- shows CEE will make meaningful contribution.

Why not EU enlargement vice NATO?

☐ EU, NATO enlargement part of same historic process. Both important, not mutually exclusive.

☐ EU not equipped to be lead organization for European security and integration, as Bosnia demonstrated. Key to long-term European stability is U.S. engagement and leadership, which comes only through NATO.

Will the American people support enlargement?

☐ Americans not isolationist: Majority (62%) support NATO enlargement to Poland, Czech, Hungary; 68% would favor defending Poland with U.S. troops.

Why enlarge NATO absent a threat?

☐ Need NATO enlargement for same reason we need NATO: America's core alliance in uncertain world. Cannot foresee all threats, but know preparedness deters them. Through enlargement can extend same stability to Central Europe that Western Europe enjoyed for 45 years.

☐ Failure to enlarge NATO would betray our traditions and America's role throughout 20th century. Must not exclude countries that have demonstrated commitment to defend our common values and to share in common burdens.

RUSSIA

Aren't the reformers fighting an uphill battle?

☐ Yeltsin back in charge. New team has potential to take on economic problems that overshadow everything else in Russia.

☐ Yeltsin showed at Helsinki ready to tackle tough issues and make

decisions.

- ☐ Russian reform -- and bilateral relations - likely be bumpy road, but overall direction positive.
- ☐ As we continue to support reform, will also maintain commitment to sovereignty and independence of other NIS, like Ukraine.

Wasn't Helsinki just an agreement to disagree on NATO?

- ☐ Summit re-energized U.S.-Russian relations.
- ☐ Turned corner on NATO enlargement. Russia opposed, but ready to develop NATO-Russia relationship. If we can get Charter nailed down, possibility of signing before Madrid.
- ☐ Important progress on arms control: START, ABM/TMD.
- ☐ Defined path to stimulate trade and investment; will bolster reform in Russia and mean new jobs for Americans.

Why are you asking for more money in your FY 98 budget for assistance to the NIS?

- ☐ Bipartisan support critical, especially for FY 98 Partnership for Freedom request. Funding for Russia, NIS will promote trade and investment, lock in reforms, expand people-to-people contacts that will forge important ties with tomorrow's leaders.

BOSNIA

What have we accomplished in Bosnia other than to enforce artificial peace that will collapse when we leave?

- ☐ In summer of 1995, bloodiest conflict in Europe since World War II raged. Few believed peace possible; many questioned NATO's role in post-Cold War era.
- ☐ Since then, U.S. leadership produced Dayton Accords, and revitalized NATO helped consolidate peace, providing environment for political reconciliation and economic reconstruction.
- ☐ Efforts in Bosnia have exceeded expectations:
- ☐ Implemented military aspects of Dayton with no combat casualties; held national elections in September; created joint national institutions; returned more than 200,000 refugees.

☐ U.S.-led, Train-and-Equip program building stable military balance and facilitating formation of joint defense structures.

☐ Making progress on economic reconstruction, especially in Bosniak-Croat Federation. Today, Sarajevo bustles with reconstruction; hundreds of cafes, shops, banks and other commercial endeavors open.

Why didn't we call it a day when the IFOR mandate ended?

☐ Still have long way to go: must do more to rebuild economy, create jobs, stimulate investment. Need greater cooperation from parties on freedom of movement and return of refugees.

☐ Bosnian people, with help of international NGOs, must assume responsibility for building own future.

☐ SFOR will provide stability and confidence for Bosnian people to continue toward these goals. Withdrawal of U.S. forces in mid-1998 should give sufficient time to ensure self-sustaining peace.

Why not cut our losses and get out now?

☐ Early, unilateral withdrawal of U.S. troops would endanger progress made since Dayton. Could lead to resumption of war with resulting crisis in NATO; would erode U.S. credibility and leadership around world.

☐ Strongly urge your support for our efforts in Bosnia. Stability in Europe central to U.S. interests, as is preserving U.S. leadership of strong, effective NATO as it embarks on enlargement and new partnership with Russia.

SEGMENT II: Dinner and Discussion (8:00 - 8:45 p.m.)

RESOURCES AND REORGANIZATION

You're asking for more money for foreign affairs. What will we get out of it?

☐ Foreign affairs programs small part of federal budget -- about 1% of

spending. But that 1% pays enormous dividends.

☐ Helps us to avoid wars and save lives; stems inflow of illegal drugs; helps us in war on terrorism; promotes democracy and other American values; and stimulates American exports and jobs.

☐ My budget calls for increasing international affairs spending by \$1.4 billion. Funding increase will enable us to sustain American global leadership and continue existing programs such as trade promotion activities that generate \$15 to \$20 billion in exports each year and support more than 300,000 jobs.

How can you be asking us to spend more on foreign affairs when we're trying to balance the budget?

☐ International affairs spending has fallen by roughly 20%, in real terms, over past four years. Steep decline has diminished ability to influence events overseas, raised serious questions about our willingness to remain engaged in international arena and cost us opportunities to promote American exports and jobs.

☐ Further reductions will create bigger problems for us down road.

Are we ever going to see a reorganization plan?

☐ Recognize there is great deal of speculation surrounding reorganization of foreign affairs organizations.

☐ Know some Members believe there must be significant change in international affairs agencies.

☐ As Secretary Albright has told Chairman Helms, we want to work with you on improving the coherence and effectiveness of the international affairs agencies.

☐ A high-level Administration working group is now concluding a careful examination of various proposals for improving the efficiency and effectiveness of the international affairs agencies. Working very hard developing a proposal on reorganization.

☐ Will forward my own proposal shortly so that we can begin more detailed discussions with you.

UN ARREARS

Why should we throw money at a bloated bureaucracy like the U.N.?

☐ UN is important instrument of U.S. foreign policy. Serves American interests in range of areas from refugee assistance, disease control and air traffic control. Its peacekeepers promote American interests around globe.

☐ Committed to American participation and leadership in reformed UN and to paying our financial obligations, but must insist on real reform.

Have you seen any signs of progress on reform?

☐ UN and member states have heard our message. UN reform primary motivation for insisting on new UN leadership -- and they understand we are committed to working with you to develop tough, but achievable, benchmarks that make UN more effective and accountable.

☐ Pleased with initial steps of Kofi Annan. Believe stage set for improved relations between U.S. and UN.

☐ Appreciate offer by Senator Lott to lead Task Force on UN Reform. Secretary Albright, OMB Director Raines and Ambassador Richardson have reported to me on progress of group.

What's your plan for paying our debts and dues while keeping reform on track?

☐ My last budget request is straightforward:

☐ UN commits to reduce future U.S. assessments to roughly amount Congress approved past two years, with no new arrears.

☐ With your support, USG would offer advance appropriation to cover our arrears, but it would not be available until FY 99 and would be disbursed if agreed benchmarks met.

☐ Your early consideration of proposal would give our diplomats leverage they need in difficult negotiations. Many nations at point they do not believe American promises to repay arrears to UN. UN members need to see legitimate offer if they are to make the reforms we demand.

☐ Need to get this done within next weeks to have effect on budgetary changes being considered for 1998 and 1999.

PARTNERSHIP FOR FREEDOM

What have we gotten out of our assistance to the NIS?

☐ Assistance working: two-thirds NIS under democratically elected leaders in emerging market economies; and two-thirds of Russia's economy now privatized. U.S. assistance can make change endure.

Why this new Partnership for Freedom initiative? What are the goals?

☐ Entrenching democracy, market economies advances overarching national interest in seeing NIS develop as partners of America; \$900

million under Partnership for Freedom real investment in peace and security that merits bipartisan support.

☐ Priority one is to tackle barriers to investment, fight crime, lock

in economic reform, open region's vast resources to American business. Our efforts can leverage billions of dollars in trade and

investment, which means jobs for Americans at home.

☐ Priority two is to bolster generational change, strengthen democracy; want to double people-to-people exchanges and support American foundations, volunteer groups to build civil society, focus

on grass roots.

☐ Convinced after Helsinki time is ripe; Yeltsin committed to bold reform agenda; leaders of Ukraine, Georgia, other NIS committed to make reform irreversible.

CHEMICAL WEAPONS CONVENTION

Who Supports the Treaty?

☐ Ten days ago, hosted broad-based, bipartisan group of treaty supporters at White House: James Baker, Colin Powell, Paul Nitze and

Ed Rowny, 100 other prominent, former government officials, retired military officers, veterans, business leaders, religious leaders,

scientists and arms control experts.

☐ Treaty has "made in America" written all over it: started by Reagan Administration, completed and signed by Bush Administration, submitted to Senate by my administration where many Republicans as well as Democrats support ratification..

Why Support the Treaty?

☐ First, reduces chemical threat to our soldiers. A decade ago, well before CWC concluded, Congress directed destruction of majority of our chemical weapons stockpile. CWC requires others do same, under strict international supervision. That's why every Chairman of JCS since 1976 -- General David Jones, General John Vessey, Admiral William Crowe, General Colin Powell and General Shali -- and former Secretaries of Defense Mel Laird, Harold Brown and Bill Perry -- support treaty.

☐ Second, our participation is tangible demonstration of international efforts against CW proliferation and other transnational problems. That is why former President Bush and former Secretaries of State Baker and Eagleburger support treaty.

☐ Third, treaty's declaration and inspection provisions will help Intelligence Community do better job of monitoring CW programs worldwide -- task they face with or without CWC. That is why former CIA Directors Gates, Woolsey and Deutch and Acting DCI Tenet support treaty.

☐ Fourth, gives us new tools to deal with emerging threat of CW terrorism. By eliminating existing stockpiles and restricting flow of chemicals used to make chemical weapons, CWC makes it harder and more costly for terrorists to acquire or use chemical weapons. That is why Janet Reno, International Union of Police Associations, International Brotherhood of Police Officers and National Association of Police Organizations support treaty.

☐ Fifth, provides level playing field for our chemical companies, our largest exporters, by requiring all parties to control trade with non-parties in dual-use chemicals that can be used to make chemical weapons. If we are not party, our chemical companies face CWC-mandated trade restrictions that could cost hundreds of

millions of dollars a year in sales. That is why Chemical Manufacturers Association, Synthetic Organic Chemical Manufacturers Association and Pharmaceutical Research and Manufacturers of America support treaty.

☐ Finally, establishes global norm against possession of poison gas, thus making any attempts to develop or use it not only immoral but illegal. That is why Anti-Defamation League, B'nai B'rith, U.S. Catholic Conference, Presbyterian Church, the Episcopal Church, United Methodist Church and so many other religious organizations support treaty.

☐ Recognize CWC will not "solve" chemical weapons problem, but it is key element of any effective response.

What is Treaty Status in Senate?

☐ Since January, have negotiated in good faith with Majority Leader Lott and group he put together in effort to address concerns of some members of the Republican caucus about treaty.

☐ During these discussions, Senator Helms has proposed about 30 conditions, and in nearly every case, we have either reached agreement on compromise or identified reasonable alternative, leaving it to Senate to decide between two.

☐ Will work with Majority Leader and CWC task force to facilitate Senate vote by mid-April, so we can deposit our instrument of ratification prior to April 29, when treaty enters force.

☐ We have moved well beyond resolution of ratification on Senate calendar last September. Now time for Senate to vote.

What's the Importance of April 29 Deadline?

☐ April 29 is real deadline with real consequences. If Congress fails to act, Americans will be less secure. Will be denied access to CWC's tools against rogue states and terrorists who seek to acquire chemical weapons. Also denied ability to require other states to do what we are already doing -- get out of chemical weapons business.

☐ Without ratification, credibility of American leadership across range of transnational issues undermined.

☐ The United States will also lose its seat on the governing body

implementing the treaty. Americans will be ineligible to serve as inspectors.

☐ American chemical companies will begin losing sales to overseas competitors, as mandatory trade sanctions against non-parties phase in. Industry estimates this could put at risk as much as \$600 million in sales and many jobs.

FAST-TRACK

Why do you need fast track authority?

☐ Every President since Ford has had fast track authority for key periods with bipartisan support. That is because Congress has consistently recognized the President must have authority to break down foreign trade barriers.

☐ That authority is even more essential today. The rapidly expanding global economy is an inescapable fact of our time. Over the past 50 years, global trade has increased 90-fold. Today, 11 million American jobs are supported by exports, including one in five manufacturing jobs. These are good jobs, paying 13-16% more than the average wage. Over the next decade, global trade is expected to grow at three times the rate of the U.S. economy. In a world where over 95% of the world's consumers live outside the U.S., we have only one choice: we must export.

☐ If we don't act, our competitors will. MERCOSUR is a developing customs union with ambitions to expand to all of South America; the EU has begun a process to reach free trade with MERCOSUR; China has targeted Mexico, Argentina, Brazil, Chile and Venezuela as "strategic priorities"; Japan has undertaken high-level efforts in Asia and Latin America. The cost of our inaction is high. Canada's free trade agreement with Chile helped cause Canada's Northern Talcum to win a \$180 million telecommunications contract over three U.S. companies - in part because it could avoid paying \$20 million worth of duties.

How can we and why should we compete with developing nations who pay their workers less and don't meet the same tough labor and environmental standards?

☐ The U.S. is perfectly positioned to seize these opportunities. We have nothing to fear. The U.S. economy is the envy of the world. We

have enjoyed the longest period of sustained growth of all of our G-7 partners. Over the last four years, we have created 12 million new jobs, while rest of the G-7 nations combined created 600,000. We have the lowest budget deficit as a percent of GDP of all the G-7 nations. We are once again the world's largest exporter, the largest producer of semiconductors, the largest producer of automobiles.

☐ And these agreements offer us virtually one-way trade benefits. When the Uruguay Round is phased in, our tariffs will average 2.8%.

Other countries are far higher: India (31%); Thailand and Turkey (26%); Chile and Indonesia (11%). These are virtually one-way deals.

☐ We face a critical choice: whether to seize the initiative or have it seized from us. We can recognize that the American economy is the model for the world, continue to open foreign markets and seize the initiative when it comes to international competition. Or we can convince ourselves - against the evidence - that we are on the wrong track, that we cannot succeed and that we should not move forward. The choice is that clear - and that important. I ask you to work with me in helping us move forward.

What will you use fast track for? What are the potential benefits?

☐ The potential gains are great if we seize them.

Multilateral. For over 50 years, the U.S. has led the world in opening global markets. We can continue that process today. New WTO

negotiations will permit us to further reduce key barriers, such as:

1) Agriculture (\$526 billion global market); and 2) Services (a \$1.2 trillion global services market where U.S. firms exported more than \$220 billion in 1996). Talks in intellectual property and others areas are also important.

Sectoral. The recent Information Technology Agreement cut tariffs on \$500 billion of trade in semiconductors, computers, telecommunications equipment and software, \$5 billion tax cut for American exports. With fast track, we can tear down more barriers in areas like computer software, medical equipment and environmental technology, areas where America leads the world.

Regional. Continuing regional initiatives present vast opportunities: 1) Latin America and the Caribbean, the fastest growing

market for U.S. exports in 1996; and 2) Asia, containing the fastest growing economies in the world, with nearly 3 billion people. Other efforts with Europe, Africa and other regions.

What about labor and environmental standards?

☐ We need to work out our differences. I know that there are strong feelings on the labor and environment issues - and we need to work those out in a bipartisan fashion. I have asked Ambassador Barshefsky to lead that effort. But we must work through those and move forward.

SEGMENT III: ASIA (Korea, China, MFN) (8:45-9:15 p.m.)

KOREA

What is the status of North Korea's nuclear program?

☐ With help of our allies South Korea and Japan, reached agreement with North Korea on framework that freezes production of nuclear material and eventually eliminates North Korea's nuclear program.

☐ KEDO, an international consortium of contributors, oversees process. Funding for KEDO and light water reactor project essential to achieving non-nuclear Korean peninsula. Overwhelming bulk of funding picked up by Japan, South Korea. Look to Congress to supply funds to sustain U.S. participation in critical endeavor. (FYI: asking for \$30 million in FY 98 budget.)

What are we doing about the signs of starvation in North Korea?

☐ The North Koreans face severe food shortages; UN estimate shortfall between 1-2 million tons. We are reviewing appropriate response to most recent international humanitarian appeal for assistance. Distribution of assistance monitored by World Food Program. Confident food aid is being delivered to those most in need, particularly children. Appreciate Congressional support for maintaining the U.S. tradition of not using food as a tool to advance a particular political agenda.

What is the status of the four party peace talks?

☐ Hope that North Korea may now be ready to accept proposal for four-party peace talks I proposed with President Kim last April. Meeting North Koreans next week for further discussion.

☐ Also seeking progress on MIA's, missile proliferation.

CHINA

What is there to engage over with China -- aren't our differences so basic and fundamental that your policy is meaningless?

☐ China's future has an enormous impact on our interests. Manner in which we engage China in months ahead will affect whether China becomes destabilizing threat or constructive force in Asia and world.

☐ Substantial U.S. interests at stake: need China's cooperation in curbing proliferation of WMD, securing permanent peace on Korean peninsula, alien smuggling, counternarcotics. China will become world's largest economy within 15 years; want access to that market for U.S. exports.

☐ Each of these interests is best served by stable, open, prosperous China that increasingly embraces international trade and nonproliferation rules. Isolating or containing China counterproductive. Want to work with Congress to forge common strategy.

Doesn't engagement come at the expense of our principles?

☐ Engagement does not mean endorsement. Working with Congress we can manage our interests with China soberly and prudently.

☐ Human Rights. Continue to support those in China who stand for freedom and human rights. Sponsored resolution in Geneva.

☐ Hong Kong. Future of Hong Kong remains serious concern as we approach July 1. Working with allies to ensure China understands action that allows Hong Kong's political and economic way of life to continue.

☐ Trade. Expect China to follow international trade rules and norms and live up to its commitments to us. Support WTO

membership for China, but only on commercially meaningful terms.

☐ Nonproliferation. Continue to elicit Chinese support in combating proliferation; pressing China to tighten export controls and cease cooperation with such states as Iran.

Why should we extend MFN?

☐ Failure to extend MFN would undermine all of our interests, and reverse thirty years of bipartisan China policy. MFN revocation would not lead to improve human rights or better non-proliferation record; but would damage not only U.S. jobs but also Taiwan's economy and slash Hong Kong's trade by over \$30 billion.

MISCELLANEOUS

ENCRYPTION

Background

Senator Leahy may raise the topic of encryption. He has cosponsored with Senator Burns two bills to drastically reduce export controls on encryption technology. We oppose these bills and will shortly transmit an Administration draft bill. Leahy is a potential ally, and we look forward to working with him and other Members.

Points (Response to Leahy)

☐ While critical to the growth of commerce and protection of privacy on the Internet, very strong encryption can also harm the public by making it impossible for law enforcement and national security to understand lawfully intercepted messages and seized electronic evidence.

☐ Our approach promotes the use of strong encryption while protecting public safety by encouraging "key recovery," an industry-developed technique that permits a copy of a user's encryption key to be stored and accessible by users or by government entities only under strict conditions.

☐ A balanced encryption policy will promote four objectives: the growth of electronic commerce, the protection of privacy, continued competitiveness of U.S. products and the public safety.

☐ We intend shortly to transmit to the Congress a draft bill that is balanced and focuses on providing the industry with incentives to develop and use key recovery systems, rather than require it. We look forward to working with you in this session of Congress on our bill to promote a balanced approach to this very complex issue.

ZAIRE

Background

We have been told that Congressman Lee Hamilton will attempt to engage you on specific Zaire-related issues at tonight's dinner. He will encourage you to establish an international support group for Zaire, press those states backing Kabila to support a cease-fire and work to gain access to refugees. He may also ask about any discussions the Administration has had with the IFIs on assisting Zaire in a post-Mobutu era.

Points

☐ Strongly support efforts of UN/OAU Special Envoy Sahnoun and the South African Government to find negotiated solution to war in Zaire.

We are pushing for an international support group on Zaire at UN.

☐ Continue to press Kabila and states supporting him to back immediate cease-fire and negotiated settlement. This has been priority. Did again this week.

☐ U.S. pressure resulted in NGO access to refugees. Confident they have access to refugees around Kisangani. Refugee situation stabilizing for many. Other refugees heading for distant borders and NGOs unable to help until they stop moving.

☐ Have engaged IFIs on assisting Zaire following elections. However, Zaire owes more than \$1 billion to these institutions and the IFIs will want to see evidence of meaningful economic reform. We agree on need for engagement and planning for post-Mobutu

BURMA

Background

Members of Congress will be interested in your decision regarding the imposition of sanctions against Burma pursuant to the Cohen-Feinstein legislation. No decision has been announced, though there has been press speculation that absent positive steps now to engage with the opposition and improve respects for human rights, we would impose sanctions.

Points

- ☐ U.S. policy is to oppose repression and support a dialogue between government and democratic opposition led by Aung San Suu Kyi.
- ☐ Cohen-Feinstein provides us with an important tool to further our goals. Administration is closely monitoring SLORC's actions, and I will faithfully implement the law.
- ☐ SLORC has not improved its human rights record; recent instance of crackdown on expressions of political views argue SLORC not likely to adopt more moderate posture.
- ☐ Burmese leaders recognize that they face investment sanctions under U.S. law should the situation not improve.