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NATIONAL SECURITY AFFAIRS GUIDANCE

September 16, 1999

EUROPE / RUSSIA

Georgia/Rodham Brothers (new)

Russia/Explosions (new)

Russia/Law Enforcement Cooperation (new)

Russia/Crime and Corruption (new)

Russia/Gertz and Novaya Zemlya

Russia/Y2K Center (new)

Russia/IMF Team in Moscow

ASIA

Taiwan/Seeking Seat in UN (new)

North Korea/Berlin Talks

East Timor (updated)

China

INTELLIGENCE

Encryption (new)

INTER-AMERICAN

Colombia

NEAR EAST/SOUTH ASIA

UNSC/Iraq (new)

Pakistan/Visit by First Brother (new)

PLO/Arafat Meeting

Iran/Presidential Letter

AFRICA

Liberia/Immigration Status (new)

MULTILATERAL

United Nations/POTUS Trip

DEFENSE

Military Readiness

U.S. Commission on National Security/21st Century (new)

National Security Strategy

NIE on Ballistic Missile Threats (draft contingency)

NMD/ABM

CTBT

RODHAM BROTHERS BUSINESS DEAL IN GEORGIA

September 16, 1999

CONTEXT: Today's Washington Post ran a David Ignatius story reporting on a business deal involving Hugh and Tony Rodham, based in part on background from NSC staff. The business venture involves the processing and export of hazelnuts from the Ajaria region of Georgia. NSC first learned of the venture on the day of the Rodhams' departure for Georgia, August 17. The Georgian government requested confirmation of the Rodhams' travel plans and asked that the Rodham brothers travel to Batumi via Tbilisi. After the Rodhams' trip to Georgia, we began to see Georgian press reporting in which the leader of Ajaria, Aslan Abashidze (pron.: AH-slan ah-bah-SHID-zeh), attempted to misrepresent the Rodhams' private business dealings. APNSA Berger then advised Tony Rodham that the brothers should withdraw from the deal because it was being misconstrued in a manner inconsistent with United States foreign policy. He also noted that there were press reports of links between organized crime figures and people associated with the deal.

What can you tell us about reports of the business dealings in Georgia of the First Lady's brothers?

* In mid- to late August, Hugh and Tony Rodham traveled to Georgia on private business. The NSC first learned of the trip from the Georgian government, which requested that the Rodham brothers travel to Batumi via Tbilisi, which the Rodhams agreed to do.

* After the Rodhams' trip to Georgia, Georgian wire services started issuing

reports in which the leader of Ajaria, Aslan Abashidze (pron.: AH-slan ah-bah-SHID-zeh) misrepresented the Rodhams' private business dealings as an indication of U.S. support for Abashidze and his political causes.

* These assertions are completely incorrect.

* In the wake of the Georgian press reporting, APNSA Berger advised Tony Rodham that the brothers should withdraw from the deal because it was being misconstrued in a manner inconsistent with United States foreign policy.

Did you tell the Rodham brothers about links between Abashidze and organized crime figure Grigoriy Loutchanskiy?

* We did not know about any details of the Rodham brothers' proposed project or partners prior to their trip to Georgia.

* When Berger spoke with Tony Rodham in early September, after reports of Abashidze's statements had come out in the Georgian press, Berger alerted Rodham to concerns about potential links between Abashidze and Loutchanskiy.

If asked: Was the information on Loutchanskiy derived from intelligence sources?

* Mr. Berger provided appropriate information based on unclassified reports that had been received by the USG.

If asked: When did the First Lady first learn of this deal?

* The First Lady was aware of her brothers' plans to travel to Georgia but did not know details of their business dealings.

* After Georgian press reports started coming out, Berger informed the First Lady that the Rodhams' business dealings were being used in a manner contrary to the foreign policy interests of the United States and informed her of his intention to advise the Rodhams that this business deal is unwise.

President Shevardnadze is due to visit Washington next week. Is the timing of his visit related to this affair?

* Shevardnadze is coming to Washington as a part of a long-planned trip to the United States to address the United Nations General Assembly.

* A meeting between Shevardnadze and the President had been under discussion since late July, was proposed by the White House in mid-August, and was publicly announced on September 1.

* Shevardnadze's visit is not related to the Rodham matter and is instead a reflection of the commitment of the United States to a secure, prosperous, and democratic Georgia, as well as the deep respect that President Clinton has for Georgian President Shevardnadze.

RUSSIA/EXPLOSIONS

September 16, 1999

BACKGROUND: Press reports state that a bomb exploded the morning of Sept. 16 in a drainage system running between two apartment buildings in the southern Russian city of Volgodonsk. Press reports indicate 14 people were killed and over 100 injured. Two earlier explosions in Moscow apartment buildings killed a total of over 200 people. Interior Minister Rushailo has stated that the latest bombing is a terrorist act. Press speculation is now suggesting that President Yeltsin has lost control of events in Russia.

Any comment on latest bombing in Russia?

- * Condemn this latest bombing in Russia and all terrorist acts.

- * Understand 14 killed, over 100 injured in southern Russian city of Volgodonsk. Press reports indicated a bomb was planted in a drainage system between apartment buildings. Have no further information.

- * Extend our condolences to the families of the victims who suffered terrible losses in recent explosions. President wrote President Yeltsin on Monday expressing his condolences and those of the American people, and reaffirming our commitment to work with Russia to prevent terrorist acts.

- * Russian authorities continue investigating recent wave of explosions. Important such investigations be carried out, as President Yeltsin suggested, without bigotry or prejudice.

If asked-Don't recent developments show that Yeltsin is losing his hold on power?

- * Not going to speculate on internal Russian developments.

- * Russia is going through a very difficult period of strife; Russian government faces major challenge to ensure fair and complete investigation of explosions, restore calm, and promote the rule of law.

RUSSIA-LAW ENFORCEMENT COOPERATION

September 16, 1999

Are Russians cooperating on money laundering investigations?

- * Presidents Clinton and Yeltsin agreed last week that best way to get to bottom of money-laundering allegations is to ensure that law enforcement officials do their work. Russians offered to send team to meet with U.S. counterparts to address questions on current investigations and, more generally, improve law

enforcement cooperation. That team is here.

* Russian team includes representatives from FSB (FBI-equivalent), Ministry of Internal Affairs, Procuracy, and Tax Police. On Tuesday the Russian team was hosted by the Department of Justice. Yesterday they had meetings with Treasury Department officials, and today, they are at the State Department. Understand they leave Friday.

If asked--Yesterday, the head of the Russian delegation claimed that there is no proven tie between the IMF and the money laundering scandal. What is your reaction.

* As we've said before, US law enforcement officials do not at this time have evidence to substantiate media reports that IMF money was involved in suspected money laundering.

What is the U.S. response to denials by Mogilevich of his connection to organized crime?

* It is on the public record that Mogilevich is associated with an ongoing investigation in Philadelphia that I cannot discuss further. There are a number of allegations about Mogilevich's activities that have caused us great concern for years.

* Take seriously credible allegations of organized crime, whether from Russia or elsewhere, and we have taken extraordinary steps to firm up the links between our intelligence service and law enforcement officials to identify and tackle priority problems.

RUSSIA/CRIME AND CORRUPTION
September 16, 1999

BACKGROUND: In a Washington Post article on Sept. 9, David Hoffman describes Russia as in-or as being--"a state of lawlessness". The article details allegations of criminality, corruption, and ineffective policing.

Isn't it true that Russia is a lawless society, totally corrupt from top to bottom? Hasn't the Administration closed its eyes to this endemic corruption problem?

- * Corruption in Russia has roots in Soviet system, and have worked from the outset to address these issues in transition to democratic market system.
- * President and Vice President have spoken out on issue of corruption bluntly, early and often.
- * In 1993, after Vancouver Summit, started Rule of Law project to address issues of crime and corruption.
- * While in Moscow in 1995, President Clinton called for an "all-out battle to create a market based on law, not lawlessness".
- * President Clinton raised issue again at Helsinki Summit in 1997 and in Moscow summit last September, where he made clear that investment in Russia depended on "strong checks on corruption and abuse of authority".
- * Our agenda is threefold:
 - * Promote Russian law enforcement, including through reform of law enforcement agencies and judicial authorities;
 - * Safeguard resources granted or loaned to Russia by U.S. government and by international institutions;
 - * Enact laws and build institutions in Russia capable of coming to grips with Russia's crime and corruption problems.

Do you have anything to show for your efforts? Seems like no progress has been made and that the problem is only growing worse.

- * Have assisted the authors of the commercial law sections of Russia's new Civil Code, the fundamental legislation under which the market economy functions.

- * Assisted in the development of the Russian Constitution, including hosting the Russian Constitutional Commission for a weeklong drafting workshop in Washington.
- * We trained and equipped the Law Academy judicial training staff in Moscow and branches around the country reaching hundreds of judges through region seminars.
- * Work to promote a sound and independent judiciary. Although serious problems remain, the Russian judiciary has never been as independent as it is today and we are helping strengthen this trend.
- * We are working with the Supreme Qualifying Collegium, the body that sits in judgment over judges accused of ethics lapses.
- * We have provided extensive advice and helped draft the major criminal laws: the Criminal Code (passed and enacted), Crime law, money laundering and corruption law. (Note: these passed the Duma, but were vetoed by Yeltsin.) We have helped with the criminal procedure law still pending Duma action.
- * Finally, professionalism of Russian lawyers is increasing with our help.

RUSSIA: GERTZ AND NOVAYA ZEMLYA
September 15, 1999

CONTEXT: The September 15 Washington Times reports Russia may have tested a nuclear device underground at its former nuclear test site at Novaya Zemlya. The article speculates this event could have been a small underground nuclear explosion, and that if such an explosion were to occur, it would be inconsistent with the Comprehensive Test Ban Treaty (CTBT) (which has been signed by 152 states - including Russia and the U.S. - but is not yet in force). The article also notes the activity may be related to "subcritical" experiments that do not involve a nuclear explosion and are not prohibited by the CTBT (the United States has conducted six such experiments). Finally, the article (quoting unnamed

Senate aids) asserts this event highlights a number of deficiencies in the CTBT: for example, the treaty "won't stop nuclear proliferation ... it is not verifiable ... it will hinder our ability to monitor other nation's nuclear programs ... there is no agreement among the parties as to what is permitted (under the Treaty) and what is not."

POLICY:

- * The United States and Russia are both signatories to the CTBT and are committed to its early entry into force.
- * While we have observed activity at the Russian nuclear test range at Novaya Zemlya suggesting nuclear-related experiments are underway, we have not concluded that a nuclear explosion has taken place.
- * The CTBT now pending in the Senate would provide opportunities for clarification and on-site inspections in cases such as these, and we call again on our Senate to give its early advice and consent to this important treaty.

Is it true Russia has conducted a nuclear-related experiments at Novaya Zemlya on September 8? Does the information you have suggest that a nuclear explosion has taken place?

- * We have observed activity at the Russian nuclear test range at Novaya Zemlya suggesting the Russians have conducted a nuclear-related experiment.
- * We have no data to indicate that a nuclear explosion has taken place, or that this experiment would be inconsistent with the CTBT.
- * Russia has made clear its intention not to carry out further nuclear explosions, and to ratify the CTBT; Russia has also announced it will carry out subcritical nuclear experiments consistent with the CTBT at its Novaya Zemlya test site.

- * The CTBT now pending in the Senate would provide opportunities for clarification and on-site inspections in cases such as these.

- * Both the United States and Russia should, accordingly, proceed to ratification of the CTBT without delay, as their ratifications are required for Treaty entry into force.

[If asked: Does our inability to make a determination as to the nature of this event indicate the CTBT is not effectively verifiable?]

- * We believe our National Intelligence Means, together with the Treaty's verification regime and our diplomatic efforts, provide the United States with the means to make the CTBT effectively verifiable.

- * The CTBT would provide opportunities for clarification and on-site inspections in cases such as these.

- * The CTBT's global network of sensors will aid America's ability to detect and deter nuclear explosive testing.

[If asked: Is it true the Treaty is ambiguous about experiments like these? Does the CTBT ban all nuclear explosions?]

- * The CTBT will prohibit any nuclear explosion, whether for weapons or peaceful purposes.

- * We are confident it is clear what activities are covered by this prohibition, and those activities that are not prohibited by the Treaty.

[If asked: Isn't it true that the CTBT does little or nothing to prevent nuclear proliferation?]

- * No. The CTBT will constrain nuclear weapons development, as well as strengthen the Nuclear Nonproliferation Treaty regime and the U.S. ability to lead the

global nonproliferation effort.

RUSSIA-Y2K CENTER
September 16, 1999

What is the significance of the new Russia/U.S. Y2K Center in Colorado?

- * Center in Colorado will provide early warning data on ballistic missile launches to Russia and help avoid accidental actions that could result from incorrect or unavailable data should Russia experience Y2K-related data errors.
- * Pleased that Russians have resumed plans for Y2K cooperation on defense matters that were frozen during Kosovo crisis.

RUSSIA: IMF TEAM IN MOSCOW
September 8, 1999

BACKGROUND: A technical team headed by IMF experts arrived in Russia September 6 to investigate monitoring compliance and control and management systems. They are scheduled to leave Russia Sept. 17.

Is it true that the IMF has sent a mission to Moscow to investigate Russia's Central Bank?

- * A technical mission headed by IMF monetary experts, and including statistical and Treasury staff, is visiting Moscow from September 6 to September 17. The main focus of the mission is on data reporting to the IMF for monitoring compliance with performance measures under the IMF program and on underlying control and management systems to ensure data integrity.
- * Per standard practices, the mission will meet with officials of Central Bank of Russia, Ministry of Finance, other financial institutions and the Parliamentary

audit committee.

TAIWAN SEEKING SEAT IN UN September 16, 1999

CONTEXT: Yesterday at a General Committee session in New York USUN Legal Advisor made a brief statement of the gist of U.S. "one China" policy during General Committee's debate over a proposed agenda item calling for the formation of a working group to study Taiwan's participation in the UN. U.S. statement did not address directly the proposed agenda item. This is the first time the U.S. has spoken during such debate; Taiwan has worked to have its membership considered by the UN for many years. Taiwan knows that we oppose UN consideration of its membership. The debate ended without a vote and the Taiwan item was not placed on the UNGA plenary agenda. This is the same outcome as in previous years.

Does the U.S. oppose Taiwan's entry into the UN?

- * Long-standing U.S. position is to oppose Taiwan's entry into organizations such as the UN that require statehood for membership.
- * We support Taiwan's participation in organizations that do not limit membership to states, such as APEC and the WTO.

Why did the U.S. speak up in opposition to the motion on Taiwan's behalf in the General Committee yesterday for the first time?

- * U.S. representative in the General Committee reiterated U.S. "one China" policy.
- * Did not address in his public remarks our opposition to the proposed agenda item.
- * Purpose was to make clear our "one China" policy is unchanged.

U.S.-NORTH KOREA BERLIN TALKS September 13, 1999

What happened in the Berlin talks? Did North Korea agree not to test missiles in exchange for the U.S. lifting sanctions?

- * Ambassador Charles Kartman and Vice Minister Kim Gye Gwan held productive talks in Berlin from 7-12 September.
- * Both sides agreed to take steps to create a positive context for improving bilateral relations and addressing each other's concerns.
- * With respect to missiles, it is our understanding that North Korea will continue to refrain from testing long range missiles of any kind for the duration of our discussions to improve bilateral relations.
- * This is an important initial step for addressing our concerns about North Korea's missile program.
- * For our part, we are prepared to move forward to begin normalizing economic relations with North Korea.
- * We are considering a number of measures to ease economic sanctions against North Korea and expect to make a recommendation to the President in the near

future.

Aren't you just paying blackmail to North Korea again to stop it from misbehaving?

* By engaging North Korea, we are pursuing U.S. strategic interests to contain the proliferation of WMD and ballistic missiles and strengthen security and stability in the Korean peninsula.

How did North the convey its agreement not to test missiles? Is it written? Oral?

* I'm not going to get into the details of our diplomatic exchanges with the North.

* As I said, it is our understanding that the North will refrain from testing long range missiles of any kind during our ongoing discussions to improve relations.

Does the freeze on missile tests include satellite launches, like the North Korean launch last August?

* "Long range missiles of any kind" includes satellite launches.

What kind of sanctions is the U.S. going to lift? Are you going to take North Korea off the terrorist list?

* We are considering several measures in the area of trade in non-sensitive goods and restrictions on investment.

* We expect to make a more detailed announcement in the near future, once we have an opportunity to study the results of the Berlin talks and make a recommendation to the President.

* With respect to the terrorist list, there a number of legal requirements that must be met before a country can be removed from the terrorist list. We do not believe that North Korea meets these requirements at this time.

Did you agree to give North Korea additional food assistance?

* Additional food assistance was not discussed in the Berlin talks.

Is a high-level North Korean official, like Deputy Foreign Minister Kang Sok Ju, going to visit Washington in October?

* We have no specific agreement at this time. However, as this process moves forward, a visit by a senior North Korean official to Washington is one possibility under consideration.

What if North Korea tests a missile anyway after you lift sanctions?

* We have made it clear to the North that another long range missile test of any kind would have serious consequences for bilateral relations and jeopardize our ability to continue food assistance and support for KEDO.

* Certainly, any sanctions that we may lift in connection with the Berlin talks would be immediately re-imposed. We have made that clear to the North Koreans.

EAST TIMOR
September 16, 1999

UNSC Action/Multinational Force

What is the mandate of the multinational force (MNF)?

* The UNSC resolution which was passed this morning at 2:15 states that the MNF is authorized to restore peace and security in East Timor, protect and support UNAMET (the UN presence that had to be withdrawn) in carrying out its tasks, and to facilitate humanitarian assistance operations.

* We understand specific tasks of the MNF are still being finalized by the Australians in consultation with us and other potential contributing states, and the Indonesians.

Can the MNF use lethal force?

* Yes. The Security Council authorized the MNF to take all necessary measures to fulfil its mandate. This includes the use of force if necessary.

When will the MNF deploy?

* The Australian Foreign Minister, who was in New York for the vote last night, briefed the Security Council that Australia was ready to lead the MNF as soon as possible. Our expectation is that initial elements of the force will be able to deploy to East Timor very soon, perhaps as early this weekend.

When would U.S. forces deploy?

* Now that the MNF has been authorized and created, the President will be consulting with Congress and making a formal decision on the specifics of the U.S. contribution to the force. He has already spoken about the type of support that is under consideration.

* Once the President has made his decision we will have much more details on the U.S. contribution.

* We believe other countries will be finalizing decisions about their contributions as well. We hope to be able to speak more about the overall coalition in the next day or so. The best information will be from Australia since they are in the lead.

There are reports that the Indonesian military will serve with the MNF or, at a minimum, cooperate with the MNF. How can the MNF cooperate with Indonesian military forces that the President said "aided and abetted" the militia violence and atrocities?

- * We expect the Government of Indonesia to hold accountable any persons that have committed crimes.

- * In the next day or so, the Australians will be working out the detailed relationship between the MNF and those Indonesian forces that remain in East Timor for an interim period. We expect the Indonesian military forces to cooperate with the MNF that deployed to East Timor.

Human Rights Violations/or Violations of Humanitarian Law

Will the MNF arrest war criminals or persons that have committed atrocities?

- * The President has stressed the importance of safeguarding human rights especially in the period leading up to the deployment of the MNF. The Security Council authorized the MNF "to restore peace and security," which gives them authority to halt atrocities. Specific ROE are still be finalized, but we expect the MNF will take necessary actions to stop the atrocities.

- * The Government of Indonesia has a functioning judicial system. We understand UN High Commissioner for Human Rights, Mary Robinson, has already been working with the Government of Indonesia to assist in the development of an appropriate actions and investigations. We will continue to press the Government of Indonesia to hold perpetrators of crimes accountable for their actions.

- * IF PRESSED: If the government of Indonesia were to fail to take necessary

steps to bring to justice perpetrators of crimes, the international community, including the U.S., could explore appropriate alternatives. At this time any such action is premature.

What is your response to the recent reports of atrocities in E. Timor?

* We are appalled by the increasing number of reports of killings of civilians and other gross human rights violations, and we condemn these atrocities in the strongest terms.

* Those responsible for these atrocities must be held accountable.

What are your views on UN High Commissioner for Human Rights Mary Robinson's comments that she and President Habibie agreed on the need for an international commission of inquiry?

* The United States welcomes Mary Robinson's efforts with the Indonesian Government to establish an international commission of inquiry to investigate atrocities in E. Timor. We believe those responsible for criminal acts must be brought to justice.

[IF ASKED ONLY]:

Should an international tribunal for E. Timor be established?

* All those who are responsible for atrocities must be held accountable before a credible authority-this is first a responsibility of the Government of Indonesia. It is premature to speculate on the exact form that should take should the Government of Indonesia fail to take responsible action.

Humanitarian Situation

What is the current humanitarian situation in East and West Timor?

East Timor: Little information is available regarding the situation inside East Timor, although it is clear that there has been considerable displacement of the local population. The last relief agency that was operational in East Timor was forced evacuate at gunpoint on September 6. We believe that anywhere from 100,000-300,000 people have fled to the hills where food and water are in short supply.

* We understand that two expatriate staff from the International Committee of the Red Cross (ICRC) returned to Dili on September 14, with security guarantees from the military on the ground. We hope that ICRC will be able to assess conditions on the ground and resume deliveries of humanitarian supplies, and that other relief agencies will also be able to return as soon as possible.

West Timor: The Government of Indonesia estimates that 130,000 Timorese have been displaced to West Timor. While several international relief agencies are present there, access to the camps has been extremely limited. Reports from local staff indicate that food stocks are sufficient for 5-10 days, but water and sanitation conditions are poor.

What are we doing to address humanitarian needs?

* The primary obstacle to the delivery of humanitarian assistance is the rampant insecurity on the ground in East Timor, and insecurity and limited access in West Timor. The international force will seek to restore security in East Timor and facilitate the delivery of humanitarian assistance. We call on the Government of Indonesia to permit free, safe and unimpeded access to all vulnerable populations in East and West Timor.

East Timor: Donors and relief agencies in East Timor have developed a three-phased process to address likely immediate humanitarian requirements in East Timor.

* The first phase involves air dropping food and other supplies to populations in

advance of the force deployment.

- * The second phase involves targeted deliveries of blankets, medical supplies, high energy foods and rice via helicopter from Dili and Bacau. This assistance would be provided in the initial days of the force deployment, before ground access throughout East Timor was restored.

- * The third phase includes ground deliveries of food, shelter, water and sanitation supplies, in addition to seeds and tools to restore agricultural production.

- * The U.S. plans to support each phase of this process. We are currently exploring the best way to support air drops, in consultation with other donors and international organizations. The U.S. is also prepared to deliver relief supplies to the region and support relief agencies that are providing assistance on the ground.

West Timor: Prior to the referendum, USAID pre-positioned food aid and funded a local organization to establish wells and latrine systems in areas designated as reception sites for potential displaced. The reception centers have since been overwhelmed and more sites have been established.

- * Relief agencies, with support from the U.S. and other donors, are prepared to accelerate humanitarian assistance deliveries to the camps but have limited access due to insecurity and government restrictions.

- * We call on the Government of Indonesia to allow access by international agencies to the camps and to facilitate the delivery of humanitarian assistance.

Is the U.S. conducting humanitarian air drops?

- * We are currently exploring the possibility of air drops in East Timor with other donors and international organizations. We recognize, however, that air drops are not an efficient way to deliver assistance and, without a presence on the ground, can have no assurances that the aid is reaching its intended beneficiaries.

* The only way that we can fully address the needs is to deploy a force that is capable of restoring a secure environment, at which time humanitarian agencies will be able to return and resume operations.

U.S. Relations with Indonesia

When will the U.S. resume suspended activities with the Government of Indonesia?

* Resumption of our suspended activities will be considered only after the Government of Indonesia has demonstrated its full cooperation with the MNF and the United Nations, and in the context of restoration of East Timor self-determination process. It is premature at this time to speculate when Indonesia will have taken these steps.

CHINA

September 11, 1999

What was accomplished during the President's meeting with Chinese President Jiang Zemin?

- * Presidents held a thorough and productive discussion of our bilateral relationship.
- * Atmosphere was friendly and free of polemics.
- * They decided to resume WTO talks immediately in Auckland. We continue to support China's accession to the WTO this year.
- * Significance of the meeting was that it put our bilateral relations back on track .
- * Differences continue to exist and will continue to be addressed.
- * President raised human rights issues, Tibet, freedom of belief. Will keep pressing on such issues as our dialogue with the Chinese expands in the months ahead.

* On Taiwan, President urged peaceful resolution of differences between Taipei and Beijing, underlined constancy of our "one China" policy, and encouraged Beijing to sustain dialogue with Taiwan.

Did the meeting reverse all the activities (mil-mil relations, human rights and non-proliferation dialogues, port calls in Hong Kong, etc.) suspended in the wake of the Belgrade bombing?

- * Presidents agreed to advance our bilateral relations.
- * Senior officials will be following up to flesh out this general commitment.
- * These activities are important not only for our bilateral relations but also for regional and global concerns.

Will there be a WTO agreement with China announced before the end of APEC?

* WTO talks will begin immediately. We want to see China gain admission this year on a strong commercial basis, but will have to see where the talks lead.

If an agreement is announced, will U.S. grant permanent NTR to China?

* Premature to judge whether or when an agreement might be reached. If we attain a strong bilateral agreement on China's accession to WTO we will work with Congress to secure China's permanent NTR status.

Can you offer any more detail on Taiwan?

- * Core of our policy is three pillars: one China, peaceful resolution, and cross-Strait dialogue to help achieve peaceful resolution. These three pillars apply to both sides of the Taiwan Strait.
- * President and Jiang discussing this face-to-face helped to clarify

perspectives, reduce chance of misunderstanding.

Did Jiang ask that the U.S. reduce arms sales/preclude provision of TMD to Taiwan?

- * Can't speak to what Jiang had to say in the meeting, but the President stressed fundamental continuity in our policy.
- * Three communiqués and TRA contain clear guidelines for our unofficial relations with Taiwan.
- * We will continue to adhere to the long-standing framework for our arms sales to Taiwan.

Any remaining issues from the Belgrade embassy bombing?

- * Have made \$4.5 million humanitarian payment in late August. Now discussing potential property payments, both to them and to us. Have made progress in this discussion, and will meet again soon on it.
- * Other issues largely resolved, and don't see this as an obstacle to return to a more positive bilateral agenda.

Was there discussion of PRC human rights situation?

- * President urged improvement in human rights and urged resumption of our human rights dialogue. Important that we have channels to discuss our differences as well as areas of common ground.

Any prospect of a positive development on Tibet?

- * Up to the Chinese to answer that question, but no indication of a breakthrough.
- * Establishment of dialogue between Chinese and Dalai Lama and/or his representative remains a high priority for us.

Any likelihood of movement on nonproliferation agenda?

* We would like to advance discussion of arms control and nonproliferation issues. Core aspect of our relations that we seek to advance as a high priority.

ENCRYPTION

September 16, 1999

Why did the Administration change course on encryption?

* A balanced policy that furthers privacy and expands electronic commerce, while protecting law enforcement and national security, has always been our goal. Today's technological changes, including the promise of the Internet and need for encryption to protect privacy and our own national and defense infrastructures, requires a strategic and forward-looking approach to protecting our vital national security and law enforcement interests. Our policy provides such an approach, that balances the wide range of national interests..

Why is the Administration revising its encryption export policy now?

* Last year the Vice President promised that we would continue to review our encryption policy and make the necessary updates to adjust it to national security and law enforcement needs and the global market for information technology. This Update fulfills the Vice President's promise and puts our encryption policy on a strong footing.

How broad is this update? How does it change existing export controls?

* The Update represents a new framework for export controls that meet the needs of industry to be competitive in a global market place, while continuing to provide essential protections for national security. Any encryption commodity or software may be exported without a license after a technical review to commercial firms and other nongovernment end users in any country except for the seven state

supporters of terrorism. Telecommunication and Internet service providers may use encryption commodities and software to provide services to commercial firms and nongovernment end users. Previous liberalizations for banks, financial institutions and other approved sectors are subsumed under this Update.

What happened to the delayed notice warrant ("secret search") provision?

* This delayed notice warrant provision appeared in a draft version of the bill. Although we remain concerned about the criminal use of encryption, the Justice Department will continue to operate under existing authorities and attempt to meet this threat. We will continue to vigilantly monitor the criminal use of encryption and, if necessary, request additional authorities later.

Isn't this bill just the Clipper Chip all over again?

* Not at all. First, CESA is technology neutral. As industry has requested, there is no hardware or software regulation or guidance by the government under this law. Second, CESA is carefully targeted to criminal activity. In some earlier proposals, including Clipper, the proposed regime would have affected the hardware or software for many or all users.

By removing the provision for unannounced searches of homes and businesses, isn't the Administration admitting defeat on its attempt to gain new authorities for law enforcement?

* The Administration has no desire to gain new law enforcement authorities. When telephones were invented, society faced a choice about whether law enforcement or other persons would be allowed to listen in on conversations from people's homes or businesses. In the 1960's, Congress passed the Title III law that governs wiretaps today. Title III makes wiretaps generally illegal, but authorizes them for law enforcement when strict conditions are met, in ways that go beyond the requirements of the Constitution.

* As encryption becomes widespread, we as a society are faced with a new, yet similar decision. The earlier draft of CESA would have followed Title III with unannounced searches allowed only when strictly defined standards were met -- essentially the same as our longstanding law on wiretaps. We continue to be concerned that criminals and terrorists will benefit from the widespread use of strong encryption by allowing them to cloak their communications and other evidence of illicit activities from authorized law enforcement investigations. We believe that the provision for the limited use of encryption-related delayed notice warrants, would clarify existing law for searches that do not fit within the wiretap statute. We are taking a wait and see approach and will react appropriately as circumstances warrant.

When will regulations be published to implement this update?

* We plan to publish the implementing regulations by December 15, 1999.

With the Administration's announcement today, is the United States' encryption policy still consistent with the multilateral controls in the Wassenaar Arrangement?

* Last December, Wassenaar made a number of changes to modernize multilateral encryption controls. Today's announcement will harmonize our encryption controls with those of our Wassenaar partners. Our encryption items will still be subject to a technical review and will include reasonable post-export reporting requirements.

How does this compare with what other exporting countries are doing with encryption?

* We took careful account of our multilateral obligations and the licensing practices of our major trade partners in designing this Update. In particular, the Update helps make our regulations consistent with those being developed in

the European Union, which permits the easy transfer of encryption items between EU member countries.

Why are governments treated differently?

* Under the new policy, exports to governments can be approved under a license. We wanted to retain this licensing requirement to ensure that foreign policy considerations are fully reflected in any export decision.

COLOMBIA: STATUS OF U.S. ASSISTANCE September 15, 1999

CONTEXT: The NY Times ran a lengthy Tim Golden article today on alleged plans for a big USG aid package to Colombia. In fact, the USG has just received and is studying a new integrated strategy that the Government of Colombia drew up to address its multifaceted challenges, including the stalled peace process, an economic slump, and the production and trafficking of illegal drugs. Meanwhile, the peace process in Colombia appears stalled for the moment as the government and guerrillas have been unable to agree on an international verification commission to oversee the demilitarized zone.

Any comment on today's New York Times piece on U.S. policy towards Colombia? Is the U.S. planning to provide more aid to Colombia?

* We have made no decision on whether to ask Congress for more assistance for Colombia.

* We have underway a comprehensive policy review to ensure the most effective strategy for reaching our policy objectives is in place. That is an ongoing process. We had a principals meeting in late August, we will have another in the next couple weeks. Want to reiterate no decisions about additional resources have come from these meetings.

* We also have an ongoing discussion with Colombia about its needs. There has been no decision about what, if any, additional resources the U.S. Government would provide because such decisions logically would come only as an outcome of the ongoing policy review.

* A primary focus of USG assistance will continue to be countering the production and trafficking of illicit drugs in Colombia, to protect counter-drug successes elsewhere in the region and to reduce the amount of drugs entering the United States. At the same time, we will continue to work to advance other U.S. interests in Colombia by helping to strengthen its democracy and judicial system, speeding its economic recovery, supporting President Pastrana's peace efforts, and protecting human rights.

* Let me also reiterate the distinction between counter-drug and counter-insurgency assistance. The USG does not intend to provide counter-insurgency aid to the Government of Colombia. Any support to the Colombian military will continue to be focused on the common counter-drug objective and will be given only to units that have been vetted for any indication of human rights abuses.

Is the United States seeking to impose a security and counter-drug strategy on Colombia?

* No. The Colombian Government and the USG have been discussing the problems in Colombia on a continuing basis for more than a year. Recently, this dialogue has intensified.

* We assisted the Colombian Government in developing a comprehensive, integrated strategy to deal with the major problems confronting Colombia, including narcotics trafficking, the economic slump, and the insurgency. The strategy that emerged from this process, however, was developed by, and approved by, the Government of Colombia.

Any comment on the status of the peace process in Colombia?

* The peace process appears stalled for the moment because of differences between the government and the FARC [Revolutionary Armed Forces of Colombia] over international verification of activities in the demilitarized zone. We have seen press reports of a new initiative to restart those talks and are hopeful that that initiative will pay off.

* Starting a peace process in a country that has suffered 40 years of civil

conflict and over 35,000 dead in the past decade alone is not easy. We never expected that a peace settlement with the guerrilla groups could be achieved quickly. Lessons from similar disputes elsewhere suggest that the start-up phase of talks is particularly prone to lengthy delays and setbacks - and sometimes by unexpected breakthroughs.

UNSC/IRAQ: P5 POLITICAL DIRECTORS IN LONDON
September 16, 1999

BACKGROUND: U/S Pickering and A/S Welch were in London today for a meeting of P5 Political Directors. The meeting focused on Iraq and key provisions of the Dutch/UK draft resolution, which the Security Council has been considering since April. The NYT today reports a "possible major softening" of the U.S. position. The P5 UN Missions are expected to continue discussing the Iraq resolution issue on Friday (9/17) in New York. The P5 Political Directors tentatively agreed in London to meet again in New York early next week. We should avoid detailed comment on possible meetings next week until they are confirmed.

N.B. The draft already has nine co-sponsors (Argentina, Bahrain, Brazil, Canada, Gambia, Namibia, Netherlands, Slovenia, UK) and 11 supporters (co-sponsors + Gabon, U.S.) in the Council.

What was the outcome of the P5 Political Directors meeting in London yesterday?

* U/S Pickering was in London yesterday for a meeting with his P5 counterparts. Their agenda focused on Iraq and the Dutch/UK draft resolution.

* The London meeting was serious and substantive. It came in the context of ongoing P5 contacts which we hope will promote consensus on Iraq and help enable the Security Council to act soon on the Dutch/UK draft.

Did the United States agree to discuss suspending sanctions on the import of

civilian goods if Iraq cooperates with a revived UN weapons inspections program?

- * We've made clear our overarching goal: to get Iraq to comply fully with its obligations under the Security Council resolutions.

- * Our ongoing contacts with the other permanent members of the Security Council are aimed at building Security Council consensus on an approach which will put weapons inspections teams back in Iraq and improve the humanitarian situation for the Iraqi people, while maintaining sanctions on the regime.

Would you agree to lift or ease sanctions in order to get Saddam Hussein to comply with the resolutions?

- * I'm not going to get into details of the P5 discussion of a draft resolution.

- * The standard which Iraq must meet in the same as it has always been. Iraq must comply fully with all UNSC resolutions.

- * We should not agree to any measure of sanctions relief in the absence of Iraqi compliance. KEN - THIS IS LEFT OFF STATE'S FINAL VERSION. TAKE OUT HERE?

Will there be further P5 meetings in coming days aimed at resolving this matter?

- * P5 members have been meeting regularly for quite some time, in New York and in capitals, to discuss the Dutch/UK draft resolution on Iraq.

- * We expect such meetings to continue in New York and in capitals until the Council acts on the draft resolution. But I have nothing further right now on timing or venue of such meetings.

When will the Security Council act on the Dutch/UK draft?

- * That's a matter for the Council to decide. We would like to see the Council act on the draft.

China, France and Russia have advocated a different approach on Iraq. Do you expect one of them to veto the Dutch/UK draft when it comes before the UNSC for a vote?

* I'm not going to speculate on future actions by members of the Security Council.

* The Dutch/UK draft already has the support of 11 of the 15 Security Council members. We would like to see it adopted as soon as possible with the broadest possible support within the Council.

PAKISTAN: VISIT BY FIRST BROTHER

September 16, 1999

* Shahbaz Sharif, Chief Minister of Punjab and brother of Pakistani PM Nawaz Sharif, is visiting Washington and will be having meetings with World Bank and IMF officials.

* He is also meeting with US officials as part of our ongoing discussions with Pakistan.

* He is seeing NSC Senior Director Bruce Riedel and Ass't Secretary of State for South Asia Rick Inderfurth today (Thursday), and had dinner with Deputy Secretary of State Strobe Talbott last night.

(If asked whether he is visiting because of a political crisis in Pakistan or the region):

* The possibility of Mr. Sharif's visit has been under discussion with Pakistan

for several weeks. His meetings with U.S. officials are part of ongoing U.S.-Pakistan consultations.

PLO: ARAFAT MEETING
September 15, 1999

Can you confirm a meeting between President Clinton and Chairman Arafat?

* We can confirm, though date not set yet.

* Discussion will focus on bilateral relations and on permanent status talks.

IRAN: PRESIDENTIAL LETTER
September 14, 1999

Did the President send President Khatemi a letter recently?

* Yes. We do communicate with the Iranians from time to time.

Was the letter about Khobar? What was the letter about?

* I'm not going to go into details.

* (If pressed) I'm not going to discuss the details of Presidential correspondence.

LIBERIANS: IMMIGRATION STATUS
September 16, 1999

CONTEXT: For the past eight years, approximately 10,000 Liberians in the U.S. have enjoyed Temporary Protected Status (TPS), a temporary stay of deportation authorized by the Attorney General when she deems it unsafe for people to return to their home country. TPS is typically granted on an annual basis. In July, after consultation with the Department of State, the Attorney General published a notice in the Federal Register indicating that conditions in Liberia did not justify a further extension of TPS. Thus, TPS for Liberians will currently expire on September 28. Legislation has been introduced that would grant Liberians with TPS permanent legal status but the prospects for the passage of such legislation are dim. The Senate has also passed a provision as part of the Commerce, State, Justice appropriations bill that would extend TPS for Liberians for an additional year. The House bill does not contain such a provision so the issue will be decided in the Conference on the CJS bill.

Since the announcement that TPS for Liberians would be allowed to lapse, Liberians and their supporters, including prominent members of the Congressional Black Caucus, have urged the President to grant Liberians Deferred Enforced Departure (DED), an extraordinary form of temporary relief that in certain circumstances may be granted by the President based on his foreign affairs authority under the Constitution. Liberians and the CBC will hold a press conference at the National Press Club on Thursday and a vigil at the White House on Sunday at which they will urge the President to grant DED. The Administration is currently considering whether a grant of DED or some other form of administrative relief would be appropriate.

TPS for approximately 10,000 Liberians will expire on September 28. What is the Administration doing to address the situation of these Liberians?

* The Administration recognizes that many Liberians in the U.S. under TPS have established strong ties in the U.S. during the time they have benefited from TPS.

* The Administration is considering several options to address the circumstances of this group. We intend to make a final decision as soon as possible and certainly before the expiration of TPS on September 28.

* [If asked] Is Deferred Enforced Departure (DED) among the options under consideration?

* Yes, although it's important to acknowledge that this is an extraordinary remedy.

Why did the Attorney General decide to let TPS lapse for Liberians?

* Based on a recommendation from the Department of State, the Attorney General determined a further extension of TPS was not justified.

UNITED NATIONS

September 15, 1999

* Morning, pays courtesy call on UNGA Secretary General Kofi Annan and Namibian Foreign Minister Theo-Ben Gurirab, who is to serve as the President of the 54th General Assembly.

* Around 10:45, President delivers speech to the United Nations General Assembly. Topic is broad - millennial challenges, the fight against extreme poverty around the world, responding to genocide and crimes against humanity, and nonproliferation. Some on UN arrears.

* Attends luncheon hosted by Secretary General Annan for heads of delegation.

* Afternoon, holds bilateral with a number of foreign leaders.

THE WHITE HOUSE

Office of the Press Secretary
(Queenstown, New Zealand)

For Immediate Release September 14, 1999

STATEMENT BY THE PRESS SECRETARY

President to Address the United Nations General Assembly

President Clinton will travel to New York City on September 21, 1999 to address the 54th Session of the United Nations General Assembly. The President also will meet bilaterally with a number of leaders to discuss issues of mutual concern.

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MILITARY READINESS

September 15, 1999

BACKGROUND: Recent press articles criticized the Administration for allowing military readiness to decline. Readiness did, in fact, decline as Defense budgets declined over the past fifteen years and three Administrations. To halt this decline and improve military readiness, the President's Budget for FY2000 will increase resources available for readiness by more than \$12 Billion. In addition, the President has proposed a Budget that will significantly improve readiness across the Future Year Defense Program (FYDP).

Why did military readiness decline?

* When the Clinton Administration took office, we were in the eighth straight year of declining defense budgets from the FY85 Reagan build-up peak that had, in the aggregate, reduced defense spending by over 25%, adjusted for inflation. (Gulf War in FY91 was an anomaly-but coalition receipts more than covered the temporary, one-year increase.)

* President Clinton ran in 1992 on a defense platform that explicitly restrained defense spending further-but only about \$60 Billion less than the levels for

FY93-97 that had been projected by President Bush. This was done for "shared sacrifice and shared austerity" among all the budget programs-a strong national security posture must be founded on a strong economy, and Defense must do its part.

* The President's plan worked! There was a surplus of \$69 Billion in FY99 - a swing of \$400 Billion. Surpluses through the next decade should reach \$2.5 Trillion. We are also experiencing the lowest inflation, unemployment, crime and welfare recipients in the last 25-30 years. All of these promote our national security and enhance the Quality of Life of our troops and their families.

* Within constraints of this deficit control policy, defense spending through the first six years of the Clinton Administration only declined, in real terms, by about 12%--less than half the decline experienced during the previous eight years of the Reagan second term and the Bush Administration.

* Diminishing defense budgets were not the only cause for declining military readiness. Other factors also contributed to the problem, such as:

* Congress failed to approve two additional BRAC rounds the President had requested.

* Congress failed to authorize procurement reform and contracting efficiencies that the President had requested.

* Congressional procurement add-ons distorted the balance with readiness accounts.

* Lack of progress on START II and START III, which precluded potential savings from drawing down nuclear forces in compliance with those treaties.

* Delayed reimbursement of readiness accounts that had to be tapped to cover the cost of contingency operations while awaiting supplemental appropriations.

* A strong economy that raised the cost of recruitment and retention for the All Volunteer Force.

* Numerous humanitarian relief efforts and crisis response missions that increased operational tempo and costs for our military forces.

What has the President done to improve readiness?

- * Won Congressional support for a \$1.85 Billion Emergency Supplemental for operations in Bosnia and Southwest Asia.
- * Won Congressional support for a \$1 Billion FY 98 readiness reprogramming.
- * Won Congressional support for \$1.9 Billion in emergency spending for Bosnia.
- * Requested and won approval for \$1.1 Billion in FY99 in emergency spending as a readiness supplemental.
- * Won Congressional support for \$5.1 Billion in FY99 for emergency spending for Kosovo and Southwest Asia .
- * Proposed an FY00 Budget that will increase military pay 4.4% and increase the 20 year retirement benefit from 40% (the "redux" level enacted for personnel who joined the military after August 1, 1986) to 50% of average base pay over the last three years of service (known as "high three").
- * Proposed an FY00 Budget increase of \$12.6 Billion for defense readiness and modernization through a combination of new spending and budgetary savings.

Will this be enough to correct all military readiness problems?

- * No. The President has proposed a \$112 Billion increase in FY00 through FY05, again through a combination of new spending and budgetary savings, for readiness, modernization, and other high priority defense requirements.
- * We will continue to urge Congress to authorize additional BRAC rounds, ratify the START treaties, and enact procurement legislation which will contribute to military readiness.

U.S. COMMISSION ON NATIONAL SECURITY/21ST CENTURY
September 16, 1999

BACKGROUND: Yesterday (Wednesday, 15 Sep), the Secretary of Defense's "United States Commission on National Security/21st Century" issued the first of three reports which will eventually propose a national security strategy for the next century. This first report describes the world emerging in the first quarter of the 21st Century. The second report will design a national security strategy appropriate to that world and the final report will propose changes to the national security structure in order to implement that strategy.

What is the United States Commission on National Security/21st Century?

* This is a Commission chartered by the Secretary of Defense and co-chaired by ex-Senators Gary Hart and Warren Rudman. Their mandate is to develop a national security strategy which will counter threats emerging in the first part of the 21st Century.

What is contained in the first report released yesterday?

* I refer you to the Department of Defense for the contents of the report.

Will the Administration use the report to develop a new national security strategy?

* The Commission's far reaching report will be useful to the dialogue on national security policy.

NATIONAL SECURITY STRATEGY

September 15, 1999

CONTEXT: The President is required by law to make an annual report to the Congress on his national security strategy. The National Security Strategy (NSS) is coordinated with departments and agencies in the executive branch that have responsibilities related to national security. The first draft of the 1999 NSS

was sent out in July for preliminary coordination, the second draft will be sent out for final coordination in September, and it will be published in October.

Has the NSC staff drafted a new global strategy for the next century?

- * National Security Strategy is an annual report to the Congress required by statute since 1986.

- * President Clinton's National Security Strategy is a global strategy and is oriented toward the next century, as stated in its title "A National Security Strategy for a New Century" - which was title of 1997 and 1998 reports.

- * Draft 1999 report does not present a new strategy:

- * Reiterates President's strategy of engagement, first articulated in his 1994 report.

- * Contains same three core objectives as every previous Clinton Administration report: enhancing our security, bolstering our economic prosperity and promoting democracy.

- * Most revisions in draft 1999 report reflect changes in international arena and corresponding changes in U.S. policies since 1998 report. For example, its discussion of Balkans has been revised to reflect changes in U.S. policies in wake of conflict in Kosovo.

- * Keep in mind that report is still in coordination and its language could well be revised based on inputs received from various agencies that review it.

Does the report call for using U.S. military forces to an even greater degree for humanitarian and peacekeeping missions, exacerbating military readiness problems?

- * No. Like previous reports from 1994 onward, draft 1999 report notes that U.S. military forces play an important role in protecting U.S. national interests and supporting U.S. foreign policy objectives.

- * Also like previous reports, draft 1999 report explains that military forces

often are not most appropriate tool for dealing with foreign policy challenges. Their use must be selective, focused on situations in which their unique capabilities are needed for achieving U.S. national security objectives.

* Like 1998 report, draft 1999 report emphasizes importance of maintaining high level of military readiness, which has been and will continue to be one of President's top defense priorities.

Does the report contain the 'Clinton Doctrine'?

* Although press occasionally labels the President's remarks on responding to ethnic cleansing a 'doctrine', President does not consider them to be such.

* National Security Strategy lays out full range of President's national security and foreign policy objectives, which are centered on core objectives of enhancing our security, bolstering our economic prosperity and promoting democracy.

* Past reports and draft 1999 report describe President's objective of promoting adherence to universal human rights and democratic principles.

* Ethnic cleansing obviously violates internationally recognized human rights principles, thus challenging U.S. objective of promoting those principles as a basis for lasting international peace and stability.

* In addition to being a cause for concern on humanitarian grounds, ethnic cleansing can threaten regional stability, giving rise to potentially serious national security concerns.

* Nature of U.S. response to ethnic cleansing depends on a number of factors, particularly reaction of the international community and role of United Nations and other international organizations. U.S. response will not necessarily be military. We have a broad range of political and economic tools at our disposal for dealing with crises abroad.

Does the report state that the U.S. would not fight two theater wars

simultaneously?

* Draft 1999 report, which is essentially unchanged from 1998 report, states that "...for the foreseeable future, the United States, in concert with allies, must be able to deter and defeat large-scale, cross border aggression in two distant theaters in overlapping time frames."

* This is consistent with language used DOD's 1997 Quadrennial Defense Review report.

* Neither 1998 report nor draft 1999 report predicts whether or not two theater wars might break out simultaneously. I would point out that the Quadrennial Defense Review report and the last two annual reports by the Secretary of Defense also do not make such a prediction. There simply is no significant change in this section of the report.

CONTINGENCY PRESS GUIDANCE ON NIE ON BALLISTIC MISSILE THREATS (Draft: 9/9/99/3:50 p.m.)

Overview

* We agree that the proliferation of ballistic missiles presents a growing threat to the U.S. and our allies. That is why we are taking steps to stem the spread of ballistic missiles and related technology, and deter and defend against their use.

Nonproliferation policy

* The Administration has placed a high priority on preventing the spread and development of these systems.

* Our nonproliferation efforts include: support for the Missile Technology Control Regime (MTCR); efforts to strengthen missile export controls in Russia and China; support for UNSC limitations on Iraq's missile program (as well as continued U.S. determination to prevent Iraq from reconstituting proscribed

missile programs); and negotiations with North Korea to limit its export, testing, development, and deployment of missiles.

* Although we have had a number of successes in slowing - and in some cases - stopping foreign missile programs and strengthening export controls, we recognize that countries such as North Korea, Iran, and Iraq present an ongoing threat.

Missile Defense

* Our national missile defense (NMD) program and policy regarding the ABM Treaty takes full account of the September 1999 National Intelligence Estimate on Foreign Missile Developments and the Ballistic Missile Threat to the United States.

* To counter the threat posed by emerging rogue state missile programs, the Administration is committed to the development of an NMD system, as well as the maintenance of a robust deterrent force.

* The President has said that he will make a decision on NMD deployment next summer. It is now clear that NMD deployment would require changes to the ABM Treaty.

* With this in mind, the President has recently made some decisions that will enable us to begin engaging Russia now on changes to the ABM Treaty that would be necessary if we seek to deploy a limited NMD system.

* We are in the process of beginning discussions with Congress, allies and the Russians on this issue.

* The Administration is also committed to the development and deployment of theater missile defense systems to counter the threat from shorter-range ballistic missiles.

NATIONAL MISSILE DEFENSE AND THE ABM TREATY
September 8, 1999

CONTEXT: The Washington Post reported on September 8 that President Clinton has decided to ask Russia to agree initially to relatively modest changes to the ABM Treaty, and that the first set of changes sought by the Administration would place 100 interceptor missiles in Alaska. The article states that as the missile threat is perceived to grow and U.S. technologies improve, the U.S. would seek further treaty amendments to permit more than 200 interceptors, at least two launching sites, advances in radar and the use of space-based sensors. Secretary Cohen is quoted as noting that "we also have to get the concurrence of our allies in order to make an effective anti-missile system," and that "they still look on the ABM Treaty as being one of the stabilizing factors in the relationship with Russia. It's important for us to proceed in a responsible fashion." Finally, the article quotes Secretary Cohen's insistence that he and the President's top national security aides were unanimous in their support for the phased approach: "This first phase will give us the kind of protection we'll need for the immediate missile threat."

POLICY

- * U.S. is committed to the development of a limited NMD system. The system is designed primarily to counter the threat posed by emerging rogue state missile threats.
- * No decision has been taken on whether to proceed with deployment: a decision on whether to deploy a limited NMD will not be made until the year 2000 or later.
- * The ABM Treaty remains a cornerstone of strategic stability and the U.S. is committed to continued efforts to strengthen the Treaty and to enhance its viability and effectiveness.

(Core Press Points)

- * It is clear there is an emerging ballistic missile threat from rogue states.
- * We are moving forward as quickly as we can with our NMD research and development program, and will make a decision on deployment consistent with considerations of feasibility, threat, cost and arms control.

* The President has said that he will make a decision on NMD deployment next summer. It is now clear that NMD deployment would require changes to the ABM Treaty.

* With this in mind, the President has made some decisions that will enable us to begin engaging Russia now on changes to the ABM Treaty that would be necessary if we seek to deploy a limited NMD system.

* We are in the process of beginning discussions with Congress, allies and the Russians on this issue.

(If asked questions and answers)

Can you explain the Administration's "two-phase" approach to negotiations on ABM? What is in the "first phase?" What is in the "second phase?" What is the rationale?

* Underscore that no decision has been taken on deployment: that decision will be taken next summer, taking into account feasibility, the threat, cost and arms control.

* While we have not made a decision on whether or not to proceed with deployment of a limited NMD system, we believe NMD deployment would require changes to the ABM Treaty.

* The U.S. is currently discussing with Congress, our allies and Russia how this might be done.

* The approach the Administration is taking will give us the level of protection we will need for the immediate missile threat, and proceed in a responsible fashion with our allies and Russia. Beyond that, not going to get into specifics.

Have you made a decision that the NMD would be initially based in Alaska, and not Grand Forks, if deployed?

* Again, we have not made a decision to proceed with deployment; not going to discuss specifics of a possible deployment architecture.

[If pressed on Alaska basing]

* We anticipate that any initial NMD deployment would be Alaska-based.

[If pressed on whether Grand Forks could be the location of a subsequent deployment]

* We have made no decisions regarding the location of a second site.

What can you tell us now about our "long-term" goal for NMD?

* Not going to get into specifics; however, our long-term goal includes a second site, along with additional interceptors and radars, and will address future threats as we project them now.

Why doesn't the Administration simply deploy this architecture from the start and negotiate these changes now with Russia?

* The approach the Administration is taking with respect to NMD will give us the kind of protection we will need for the immediate missile threat.

* With respect to the ABM Treaty, we are proceeding in a responsible fashion with Russia and our allies.

Aren't you placing American security at risk by not simply scrapping the ABM Treaty and proceeding with NMD?

* The approach the Administration is taking with respect to NMD will give us the kind of protection we will need for the immediate missile threat.

* This approach will enhance our overall security, and takes into account the diverse nature of potential threats to our security, including the emerging ballistic missile threat from rogue states.

Is it true that the Administration's approach to the issue of NMD deployment and/or negotiations was less than the Pentagon wanted?

* The President's principal advisors have been fully engaged on these issues and were unanimous in their support for the approach we are taking.

Is it true that Strobe Talbott was in Moscow to discuss the NMD/ABM issue? Is the Administration currently consulting with Allies? What can you tell us about these discussions?

* The Deputy Secretary was in Moscow last week and discussed issues associated with NMD, ABM and START among other matters on the U.S.-Russia agenda.

* We are also consulting with allies.

* Don't have any details to share with you from these discussions.

Will more money be needed in the President's budget to support this approach?

* That issue will be addressed in putting together the President's Fiscal Year 2001 budget for presentation to Congress next year.

What is the relationship between the ABM issue and START III? Is the Administration proposing to make concessions in START III to get a deal on ABM, and if so, what are these concessions? What are Russia's incentives to agree to

a deal on ABM, in particular, if they know there is a "second phase" on the horizon?

- * At Cologne, Presidents Clinton and Yeltsin agreed that discussions on both START III and the ABM Treaty would begin later this summer.

- * That said, we believe that both the START III Treaty, and an agreement on ABM, can and must stand on their own merits.

- * Believe the U.S. and Russia have a shared and continuing interest in strategic stability, the ABM Treaty and the START process; this is the basic context for an agreement on both START III and ABM.

[If pressed on a lower START III ceiling]

- * Believe that the understanding on warhead numbers agreed at Helsinki should be the basis for our negotiations.

COMPEHENSIVE NUCLEAR TEST BAN TREATY

September 1, 1999

CONTEXT: On July 20, President Clinton made a statement calling for the Senate to give its advice and consent to the Comprehensive Nuclear Test Ban (CTBT) Treaty. A bipartisan group of nine Senators is scheduled to hold a press conference this afternoon in support of Senate action on CTBT. President Clinton was the first world leader to sign the CTBT in September, 1996; 152 nations have now signed, and 41 have ratified. The Treaty was sent to the Senate for approval in September, 1997 - almost two years ago - but is still pending a hearing in the Senate Foreign Relations Committee. Chairman Helms has said he will not schedule hearings on the CTBT until the Administration submits the Kyoto Protocol and 1997 agreements on the ABM Treaty to his committee for advice and consent. The Treaty will only enter into force 180 days after it has been ratified by the 44 states listed in an annex to the Treaty. The U.S. is one of those 44 states.

POLICY

- * U.S. is committed to the early entry into force of the CTBT.

- * In his July 20 statement, the President said that "at a minimum, the Senate Foreign Relations Committee should hold hearings this fall" to allow each side to make its case and allow the Senate to decide this matter on the merits.

Why is the Administration making a big push on this treaty now?

- * The President said again last Wednesday that ending nuclear testing was one of his top foreign policy goals, since the beginning of his administration. The President signed the Treaty in September '96 and listed it in the State of the Union as important to our national security interests.

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

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

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

- * Finally, the American public overwhelmingly supports ratification.

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

- * We have made our position on Kyoto clear: we will not submit that Treaty until

developing nations have agreed to meaningful participation in this important environmental regime.

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

- * The Senate should consider CTBT on its own and on its merits.

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

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

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

- * Yes.

- * The Secretaries of Defense and Energy - supported by the Directors of the National Weapons Laboratories, the Commander in Chief, United States Strategic Command, and the Nuclear Weapons Council - have certified for the past three years that nuclear tests are not required, and that our program of stockpile stewardship is working to maintain our deterrent in the absence of nuclear testing.

Some say that the Cox report shows that you should actually be developing new nuclear weapons to stay ahead of proliferators.

- * Believe the concerns over nuclear espionage discussed in the Cox report have led many to draw the right conclusion that the CTBT can constrain states such as China and others from developing more advanced nuclear weapons capabilities.

* The report itself notes that testing in violation of the CTBT could further accelerate China's nuclear development. Thus, it is in our interest to bring CTBT, which China has signed, but not ratified, into force.

* More broadly, the United States today maintains a nuclear deterrent second to none; CTBT, combined with our stockpile stewardship program, will preserve, not preclude, our maintaining this position.

STATE DEPARTMENT PRESS GUIDANCE
ON COMPREHENSIVE NUCLEAR TEST BAN TREATY RATIFICATION
August 30, 1999

CONTEXT: President Clinton signed the CTBT in September 1996 and transmitted it for the Senate's advice and consent in September 1997, but Senate Foreign Relations Committee hearings have not been scheduled yet. The New York Times article focused on strategies to break this impasse, including generating public pressure to consider the Treaty, blocking other Senate business until an agreement is reached to hold hearings and a vote, and making enough progress on START and ABM issues to move the CTBT forward. The article included criticisms of Administration passivity and promises that senior officials will push the Treaty more publicly in the coming weeks.

Why is prompt Senate approval of the CTBT important? How does the Administration plan to address conditions by Senate Republicans and Russia on CTBT? What is our view of Senator helms' position of dealing with global warming and START/ABM-related agreements first? In what way will the Secretary "push" the Treaty more publicly? What's the status of START III and meetings scheduled in Washington with Dep Sec Talbott on September 17?

* CTBT ratification is a top priority for this Administration, as President Clinton underscored in his July 20 Rose Garden Address. As the President has said, it is the longest-sought, hardest-fought prize in arms control history. It

is the unanimous judgment of our national security team that the CTBT will further reduce the nuclear threat to the United States, and to our friends and allies.

* The CTBT has been signed by 152 states and ratified by 43, including France, Britain and many other close allies. But the Treaty cannot take effect until it has been ratified by 44 specific states, including the U.S. and the other nuclear weapon states.

* At the Cologne Summit in June, Presidents Clinton and Yeltsin agreed to begin discussions on START III and the ABM Treaty and the Russians gave assurances that they will seek START II ratification this fall. At the first such discussion, held in Moscow on August 17-19, both sides reaffirmed their desire to speed START II ratification and to begin START III negotiations immediately thereafter. They discussed general approaches to ensuring the viability and effectiveness of the ABM Treaty. We look forward to future meetings on these issues.

IF ASKED:

* We fully respect the prerogatives of the Chairman of the Foreign Relations Committee and in no way question the sincerity of his convictions. But the national security is best served by a free and open debate on the merits of the CTBT, for which SFRC hearings are essential.

Exchange Mail

DATE-TIME 9/16/99 7:21:53 PM
FROM Wozniak, Natalie S. (PRESS)
CLASSIFICATION UNCLASSIFIED
SUBJECT DAILY GUIDANCE UPDATE [UNCLASSIFIED]
TO

Abercrombie-Winstanley, Gina K. (NESA)
Ahmed, Sarah (RECORDS)
Akers, Dale W. (STP)
Allen, Charles A. (LEGAL)
Andreasen, Steven P. (DEFENSE)
Armstrong, Fulton T. (INTERAM)
Avery, Dale R. (INTERAM)
Baker, James E. (LEGAL)
Barnett, Cheryl E. (RUE)
Bartlett, L. June (EXSEC)
Bartsch, Bryan W. (STP)
Battenfield, Pat A. (AF)
Bayley, Douglas C. (WHSR)
Bell, Robert G. (DEFENSE)
Bellamy, Ralph C. (RECORDS)
Benjamin, Daniel (TNT)
Bernard, Kenneth W. (HEALTH)
Binnendijk, Johannes A. (Hans) (DEFENSE)
Blackburn, John (WHSR)
Blinken, Antony J. (EUR)
Bolinski, Charlene C. (RECORDS)
Bouchard, Joseph F. (DEFENSE)
Bowles, Ian A. (ENV)
Brackman, Stella S. (DEFENSE)
Bradtke, Robert A. (EXSEC)
Bremner, Sue L. (EUR)

Bresnahan, Gary E. (WHSR/STP)
Broadwick, Bonnie . (WHSR)
Bryan, Dave L. (STP)
Burrell, Christina L. (LEGIS)
Busby, Scott W. (MULTI)
Byrne, Catherine E. (AF)
Camp, Donald A. (NESA)
Carteret, Charles L. (STP)
Carty, John J. (STP)
Cheramie, Don E. (WHSR)
Clark, Bronya (ADMIN)
Clarke, Richard A. (TNT)
Cooper, Kathleen H. (NESA)
Crocker, Bathsheba N. (NSA)
Crowder, Stevan D. (WHSR)
Curts, Brenda E. (INTEL)
Darnes, Victoria J. (RECORDS)
Dejban, Donna D. (NSA)
Dempsey, Nora B. (AF)
Depaepe, Michael B. (STP)
DeRosa, Mary B. (LEGAL)
Dimel, Marsha L. (ADMIN)
Duncan, John D. (INTECON/DOS)
Dunn, John A. (RUE/INTERN)
Dupuy, Shawn L. (STP)
Edwards, Joan K. (NONPRO)
Ehrendreich, Joel (WHSR)
Elkind, Jonathan H. (RUE)
Epstein, Gerald L. (OSTP)
Erdahl, Douglas M. (WHSR)
Fallin, James (PRESS)
Feldman, Daniel F. (MULTI)
Fendley, Edward J. (ADMIN)
Ficklin, John W. (RECORDS)
Figueredo, Orlando (STP)
Flanagan, Stephen J. (CEE)
Ford, Robert G. (WHSR)

Frazer, Jendayi E. (AF)
Fuchs, Joachim D. (WHSR)
George, Christopher L. (RECORDS)
Gire, Cynthia L. (EXSEC)
Gladura, Timothy L. (INTEL)
Gobush, Matthew N. (PRESS)
Gomez, Geneva B. (NSA)
Good, Travis C. (RECORDS)
Gordon, Philip H. (EUR)
Gordon-Hagerty, Lisa E. (TNT)
Gray, Wendy E. (NSA)
Green, Charles A. (TNT)
Guarnieri, Valerie N. (MULTI)
Halperin, David E. (SPCHW)
Hammer, Michael A. (PRESS)
Hammonds, D. Holly (INTECON)
Hane, Gerald J. (OSTP)
Harris, Elisa D. (NONPRO)
Hendricks, Lori A. (INTECON)
Hill, Christopher R. (SEE)
Hill, Roseanne M. (MULTI)
Hilliard, Brenda I. (EXSEC)
Hillman, Thomas W. (STP)
Holtzapple, Richard A.
Howerton, Barbara E. (INTEL)
Huff, Lindsey E. (PRESS)
Hunerwadel, Joan S. (LEGAL)
Hunker, Jeffrey A. (TNT)
Huso, Ravic R. (ASIA)
Jacobson, Tracey A. (ADMIN)
Jansen, Christian P. (WHSR)
Jarosinski, Frank J. (WHSR)
Jones, Felicia A. (NESA)
Jordan, Kristine A. (STP)
Joshi, M. Kay (EXSEC)
Kaidanow, Tina S. (SEE)
Kale, Dora A. (MULTI)

Kalka, Jean-Francois (JF) (STP)
Kaplan, Dean M. (RECORDS)
Kass, Nicholas S. (EUR)
Kaufman, Stuart J. (RUE)
Keenan, Josefine (Chris) (HEALTH)
Keith, James R. (ASIA)
Kelly, Sandra L. (DEFENSE)
Kerrick, Donald L. (NSA)
Knepper, Charlotte (INTEL)
Konrad, Elizabeth M. (RECORDS)
Krass, Caroline D. (LEGAL)
Lackey, Miles M. (LEGIS)
Lane, Francis X. C. (TNT)
Laskowski, Gregory J. (WHSR)
Leary, William H. (RECORDS)
Leavy, David C. (PRESS)
Lee, Malcolm R.
Lieberson, Donna P. (TNT)
Lieberthal, Kenneth G. (ASIA)
Locke, Dwayne L. (STP)
Lowden, Michael R. (STP)
MacDonald, Bruce W. (OSTP)
Malinowski, Tomasz P. (SPCHW)
Malley, Robert (NESA)
Manning, Michael T. (WHSR)
Marsh, Thomas S (RECORDS)
Matthews, Sonyia (ADMIN)
Maxfield, Nancy H. (EUR)
McCarthy, Mary O. (INTEL)
McGee, Jenny A. (WHSR)
McIntyre, Stuart H. (RECORDS)
McClean, Matthew K. (MULTI)
Merchant, Brian T. (RECORDS/INTEL)
Millison, Cathy L. (EXSEC)
Mitchell, Donald A. (INTEL)
Mitchell, Rebecca (Julie) J. (NSA)
Mitsler, Elaine M. (INTECON)

Miyaoka, Lester H. (STP)
Montgomery, Mark C. (TNT)
Moretz, Sheila K. (NSA)
Murphy, Allison M. (ADMIN)
Naplan, Steven J. (MULTI)
Norland, Richard B. (EUR)
Noss, Heather L. (TNT/INTERN)
Orzulak, Paul K. (SPCHW)
Pascual, Carlos E. (RUE)
Payne, Raymond H. (WHSR/STP)
Peterman, David (Brian) (DEFENSE)
Pimentel, Betsy J. (DEFENSE)
Pollack, Kenneth M. (NESA)
Porter, Pete (RECORDS)
Porterfield Patrick C. (WHSR)
Powell, Elliott (WHSR/EXSEC)
Prise, Edith M. (RECORDS)
Pritchard, Charles (Jack) L. (ASIA)
Quinn, Mary E. (EUR)
Rickard, Robin S. (WHSR)
Riedel, Bruce O. (NESA)
Rinaldi, Steven M. (OSTP)
Roach, Darren S. (STP)
Robinson, Jack A. (TNT)
Rogers, Elizabeth B. (WHSR)
Rosa, Frederick M. (TNT)
Roundtree, Beverly (TNT)
Rudman, Mara E. (NSA)
Russ, Judith P. (SEE)
Salvetti, Lisa M. (RECORDS)
Samore, Gary S. (NONPRO)
Sanborn, Daniel R. K. (Records)
Sandalow, David B. (ENV)
Sapiro, Miriam E. (SEE)
Sargeant, Stephen T. (EXSEC)
Saunders, Richard M. (VP)
Schaefer, Matthew P. (INTECON)

Schrader, Joel M. (WHSR)
Schwartz, Eric P. (MULTI)
Scott-Perez, Marilyn L. (NSA)
Segal, Jack D. (RUE)
Shah, Sonal R.
Shannon, Thomas A. (INTERAM)
Shapiro, Daniel B. (LEGIS)
Sibley, Matthew W. (WHSR)
Sigler, Ralph H. (WHSR)
Silva, Mary Ann T. (RUE)
Simon, Steven N. (TNT)
Simons, James R. (STP)
Smith, Gayle E. (AF)
Smith, James A. (WHSR)
Smith, Michael P. (RECORDS)
Snowden, Deniz (INTERAM)
Snyder, Julie A. (STP)
Soubers, Richard R. (RECORDS)
Starks, Tali T. (RECORDS)
Storey, Sharon V. (NSA)
Stromseth, Jane E. (MULTI)
Sutliff, Deana R. (WHSR)
Sutphen, Mona K. (NSA)
Swarm, Amy L. (WHSR)
Tarver, J. Sean (WHSR)
Tavlarides, Mark J. (LEGIS)
Tedstrom, John E. (RUE)
Tucker, Maureen E. (NONPRO)
Vaccaro, Jonathan M. (Matt) (MULTI)
Valenzuela, Arturo A. (INTERAM)
vonLipsey, Roderick K. (SEE)
Ward, JoAnn (OSTP)
Wasserman, Elaine P. (EXSEC)
Weber, Anthony D. (STP)
Wechsler, William F. (TNT)
Weiss, Andrew S. (RUE)
Widmer, Edward L. (Ted) (SPCHW)

Williams, Mary C. (ADMIN)
Williams, Robert S. (WHSR)
Witkowski, Anne A. (DEFENSE)
Wozniak, Natalie S. (PRESS)

CARBON_COPY

Aragoncillo, Leandro A. (VP)
Babbitt, James F. (VP)
Black, Steven K. (VP)
Bolan, Christopher J. (VP)
Brody, Richard J. (VP)
Davidson, Leslie K. (VP)
Dennett, Todd H.
Fuerth, Leon S. (VP)
Orfini, Michael H. (VP)
Osius, Theodore G. (VP)
Roberts, Michael W. (VP)
Saunders, Richard M. (VP)
Woolston, Ann E. (VP)

TEXT_BODY

Please review and forward your updates to @PRESS by 10:00 a.m.
Friday, September 17. Thank you.

TRANSLATED_ATTACHMENT

sep16gui_.doc
NATIONAL SECURITY AFFAIRS GUIDANCE

September 16, 1999

EUROPE / RUSSIA

Georgia/Rodham Brothers

Russia/Explosions

Russia/Law Enforcement Cooperation

Russia/Crime and Corruption

Russia/Gertz and Novaya Zemlya

Russia/Y2K Center

Russia/IMF Team in Moscow

ASIA

Taiwan/Seeking Seat in UN

North Korea/Berlin Talks

East Timor

China

INTELLIGENCE

Encryption

INTER-AMERICAN

Colombia

NEAR EAST/SOUTH ASIA

UNSC/Iraq

Pakistan/Visit by First Brother

PLO/Arafat Meeting

Iran/Presidential Letter

AFRICA

Liberia/Immigration Status

MULTILATERAL

United Nations/POTUS Trip

DEFENSE

Defense Authorization and DOE (new)

Military Readiness

U.S. Commission on National Security/21st Century

National Security Strategy

NIE on Ballistic Missile Threats (draft contingency)

NMD/ABM

CTBT

RODHAM BROTHERS BUSINESS DEAL IN GEORGIA

September 16, 1999

CONTEXT: Today's Washington Post ran a David Ignatius story reporting on a business deal involving Hugh and Tony Rodham, based in part on background from NSC staff. The business venture involves the processing and export of hazelnuts from the Ajaria region of Georgia. NSC first learned of the venture on the day of the Rodhams' departure for Georgia, August 17. The Georgian government requested confirmation of the Rodhams' travel plans and asked that the Rodham brothers travel to Batumi via Tbilisi. After the Rodhams' trip to Georgia, we began to see Georgian press reporting in which the leader of Ajaria, Aslan Abashidze (pron.: AH-slan ah-bah-SHID-zeh), attempted to misrepresent the Rodhams' private business dealings. APNSA Berger then advised Tony Rodham that the brothers should withdraw from the deal because it was being misconstrued in a manner inconsistent with United States foreign policy. He also noted that there were press reports of links between organized crime figures and people associated with the deal.

What can you tell us about reports of the business dealings in Georgia of the First Lady's brothers?

* In mid- to late August, Hugh and Tony Rodham traveled to Georgia on private business. The NSC first learned of the trip from the Georgian government, which requested that the Rodham brothers travel to Batumi via Tbilisi, which the Rodhams agreed to do.

* After the Rodhams' trip to Georgia, Georgian wire services started issuing reports in which the leader of Ajaria, Aslan Abashidze (pron.: AH-slan ah-bah-SHID-zeh) misrepresented the Rodhams' private business dealings as an indication of U.S. support for Abashidze and his political causes.

* These assertions are completely incorrect.

* In the wake of the Georgian press reporting, APNSA Berger advised Tony Rodham

that the brothers should withdraw from the deal because it was being misconstrued in a manner inconsistent with United States foreign policy.

Did you tell the Rodham brothers about links between Abashidze and organized crime figure Grigoriy Loutchanskiy?

* We did not know about any details of the Rodham brothers' proposed project or partners prior to their trip to Georgia.

* When Berger spoke with Tony Rodham in early September, after reports of Abashidze's statements had come out in the Georgian press, Berger alerted Rodham to concerns about potential links between Abashidze and Loutchanskiy.

If asked: Was the information on Loutchanskiy derived from intelligence sources?

* Mr. Berger provided appropriate information based on unclassified reports that had been received by the USG.

If asked: When did the First Lady first learn of this deal?

* The First Lady was aware of her brothers' plans to travel to Georgia but did not know details of their business dealings.

* After Georgian press reports started coming out, Berger informed the First Lady that the Rodhams' business dealings were being used in a manner contrary to the foreign policy interests of the United States and informed her of his intention to advise the Rodhams that this business deal is unwise.

President Shevardnadze is due to visit Washington next week. Is the timing of his visit related to this affair?

* Shevardnadze is coming to Washington as a part of a long-planned trip to the United States to address the United Nations General Assembly.

- * A meeting between Shevardnadze and the President had been under discussion since late July, was proposed by the White House in mid-August, and was publicly announced on September 1.

- * Shevardnadze's visit is not related to the Rodham matter and is instead a reflection of the commitment of the United States to a secure, prosperous, and democratic Georgia, as well as the deep respect that President Clinton has for Georgian President Shevardnadze.

RUSSIA/EXPLOSIONS

September 16, 1999

BACKGROUND: Press reports state that a bomb exploded the morning of Sept. 16 in a drainage system running between two apartment buildings in the southern Russian city of Volgodonsk. Press reports indicate 14 people were killed and over 100 injured. Two earlier explosions in Moscow apartment buildings killed a total of over 200 people. Interior Minister Rushailo has stated that the latest bombing is a terrorist act. Press speculation is now suggesting that President Yeltsin has lost control of events in Russia.

Any comment on latest bombing in Russia?

- * Condemn this latest bombing in Russia and all terrorist acts.

- * Understand 14 killed, over 100 injured in southern Russian city of Volgodonsk. Press reports indicated a bomb was planted in a drainage system between apartment buildings. Have no further information.

- * Extend our condolences to the families of the victims who suffered terrible

losses in recent explosions. President wrote President Yeltsin on Monday expressing his condolences and those of the American people, and reaffirming our commitment to work with Russia to prevent terrorist acts.

- * Russian authorities continue investigating recent wave of explosions. Important such investigations be carried out, as President Yeltsin suggested, without bigotry or prejudice.

If asked-Don't recent developments show that Yeltsin is losing his hold on power?

- * Not going to speculate on internal Russian developments.

- * Russia is going through a very difficult period of strife; Russian government faces major challenge to ensure fair and complete investigation of explosions, restore calm, and promote the rule of law.

RUSSIA-LAW ENFORCEMENT COOPERATION

September 16, 1999

Are Russians cooperating on money laundering investigations?

- * Presidents Clinton and Yeltsin agreed last week that best way to get to bottom of money-laundering allegations is to ensure that law enforcement officials do their work. Russians offered to send team to meet with U.S. counterparts to address questions on current investigations and, more generally, improve law enforcement cooperation. That team is here.

- * Russian team includes representatives from FSB (FBI-equivalent), Ministry of Internal Affairs, Procuracy, and Tax Police. On Tuesday the Russian team was hosted by the Department of Justice. Yesterday they had meetings with Treasury Department officials, and today, they are at the State Department. Understand they leave Friday.

If asked--Yesterday, the head of the Russian delegation claimed that there is no proven tie between the IMF and the money laundering scandal. What is your reaction.

* As we've said before, US law enforcement officials do not at this time have evidence to substantiate media reports that IMF money was involved in suspected money laundering.

What is the U.S. response to denials by Mogilevich of his connection to organized crime?

* It is on the public record that Mogilevich is associated with an ongoing investigation in Philadelphia that I cannot discuss further. There are a number of allegations about Mogilevich's activities that have caused us great concern for years.

* Take seriously credible allegations of organized crime, whether from Russia or elsewhere, and we have taken extraordinary steps to firm up the links between our intelligence service and law enforcement officials to identify and tackle priority problems.

RUSSIA/CRIME AND CORRUPTION

September 16, 1999

BACKGROUND: In a Washington Post article on Sept. 9, David Hoffman describes Russia as in-or as being--"a state of lawlessness". The article details allegations of criminality, corruption, and ineffective policing.

Isn't it true that Russia is a lawless society, totally corrupt from top to bottom? Hasn't the Administration closed its eyes to this endemic corruption

problem?

- * Corruption in Russia has roots in Soviet system, and have worked from the outset to address these issues in transition to democratic market system.
- * President and Vice President have spoken out on issue of corruption bluntly, early and often.
- * In 1993, after Vancouver Summit, started Rule of Law project to address issues of crime and corruption.
- * While in Moscow in 1995, President Clinton called for an "all-out battle to create a market based on law, not lawlessness".
- * President Clinton raised issue again at Helsinki Summit in 1997 and in Moscow summit last September, where he made clear that investment in Russia depended on "strong checks on corruption and abuse of authority".
- * Our agenda is threefold:
 - * Promote Russian law enforcement, including through reform of law enforcement agencies and judicial authorities;
 - * Safeguard resources granted or loaned to Russia by U.S. government and by international institutions;
 - * Enact laws and build institutions in Russia capable of coming to grips with Russia's crime and corruption problems.

Do you have anything to show for your efforts? Seems like no progress has been made and that the problem is only growing worse.

- * Have assisted the authors of the commercial law sections of Russia's new Civil Code, the fundamental legislation under which the market economy functions.
- * Assisted in the development of the Russian Constitution, including hosting the Russian Constitutional Commission for a weeklong drafting workshop in Washington.
- * We trained and equipped the Law Academy judicial training staff in Moscow and branches around the country reaching hundreds of judges through region seminars.
- * Work to promote a sound and independent judiciary. Although serious problems

remain, the Russian judiciary has never been as independent as it is today and we are helping strengthen this trend.

* We are working with the Supreme Qualifying Collegium, the body that sits in judgment over judges accused of ethics lapses.

* We have provided extensive advice and helped draft the major criminal laws: the Criminal Code (passed and enacted), Crime law, money laundering and corruption law. (Note: these passed the Duma, but were vetoed by Yeltsin.) We have helped with the criminal procedure law still pending Duma action.

* Finally, professionalism of Russian lawyers is increasing with our help.

RUSSIA: GERTZ AND NOVAYA ZEMLYA
September 15, 1999

CONTEXT: The September 15 Washington Times reports Russia may have tested a nuclear device underground at its former nuclear test site at Novaya Zemlya. The article speculates this event could have been a small underground nuclear explosion, and that if such an explosion were to occur, it would be inconsistent with the Comprehensive Test Ban Treaty (CTBT) (which has been signed by 152 states - including Russia and the U.S. - but is not yet in force). The article also notes the activity may be related to "subcritical" experiments that do not involve a nuclear explosion and are not prohibited by the CTBT (the United States has conducted six such experiments). Finally, the article (quoting unnamed Senate aids) asserts this event highlights a number of deficiencies in the CTBT: for example, the treaty "won't stop nuclear proliferation ... it is not verifiable ... it will hinder our ability to monitor other nation's nuclear programs ... there is no agreement among the parties as to what is permitted (under the Treaty) and what is not."

POLICY:

- * The United States and Russia are both signatories to the CTBT and are committed to its early entry into force.
- * While we have observed activity at the Russian nuclear test range at Novaya Zemlya suggesting nuclear-related experiments are underway, we have not concluded that a nuclear explosion has taken place.
- * The CTBT now pending in the Senate would provide opportunities for clarification and on-site inspections in cases such as these, and we call again on our Senate to give its early advice and consent to this important treaty.

Is it true Russia has conducted a nuclear-related experiments at Novaya Zemlya on September 8? Does the information you have suggest that a nuclear explosion has taken place?

- * We have observed activity at the Russian nuclear test range at Novaya Zemlya suggesting the Russians have conducted a nuclear-related experiment.
- * We have no data to indicate that a nuclear explosion has taken place, or that this experiment would be inconsistent with the CTBT.
- * Russia has made clear its intention not to carry out further nuclear explosions, and to ratify the CTBT; Russia has also announced it will carry out subcritical nuclear experiments consistent with the CTBT at its Novaya Zemlya test site.
- * The CTBT now pending in the Senate would provide opportunities for clarification and on-site inspections in cases such as these.
- * Both the United States and Russia should, accordingly, proceed to ratification of the CTBT without delay, as their ratifications are required for Treaty entry into force.

[If asked: Does our inability to make a determination as to the nature of this event indicate the CTBT is not effectively verifiable?]

- * We believe our National Intelligence Means, together with the Treaty's verification regime and our diplomatic efforts, provide the United States with the means to make the CTBT effectively verifiable.

- * The CTBT would provide opportunities for clarification and on-site inspections in cases such as these.

- * The CTBT's global network of sensors will aid America's ability to detect and deter nuclear explosive testing.

[If asked: Is it true the Treaty is ambiguous about experiments like these? Does the CTBT ban all nuclear explosions?]

- * The CTBT will prohibit any nuclear explosion, whether for weapons or peaceful purposes.

- * We are confident it is clear what activities are covered by this prohibition, and those activities that are not prohibited by the Treaty.

[If asked: Isn't it true that the CTBT does little or nothing to prevent nuclear proliferation?]

- * No. The CTBT will constrain nuclear weapons development, as well as strengthen the Nuclear Nonproliferation Treaty regime and the U.S. ability to lead the global nonproliferation effort.

What is the significance of the new Russia/U.S. Y2K Center in Colorado?

- * Center in Colorado will provide early warning data on ballistic missile launches to Russia and help avoid accidental actions that could result from incorrect or unavailable data should Russia experience Y2K-related data errors.

- * Pleased that Russians have resumed plans for Y2K cooperation on defense matters that were frozen during Kosovo crisis.

RUSSIA: IMF TEAM IN MOSCOW

September 8, 1999

BACKGROUND: A technical team headed by IMF experts arrived in Russia September 6 to investigate monitoring compliance and control and management systems. They are scheduled to leave Russia Sept. 17.

Is it true that the IMF has sent a mission to Moscow to investigate Russia's Central Bank?

- * A technical mission headed by IMF monetary experts, and including statistical and Treasury staff, is visiting Moscow from September 6 to September 17. The main focus of the mission is on data reporting to the IMF for monitoring compliance with performance measures under the IMF program and on underlying control and management systems to ensure data integrity.

- * Per standard practices, the mission will meet with officials of Central Bank of Russia, Ministry of Finance, other financial institutions and the Parliamentary audit committee.

TAIWAN SEEKING SEAT IN UN
September 16, 1999

CONTEXT: Yesterday at a General Committee session in New York USUN Legal Advisor made a brief statement of the gist of U.S. "one China" policy during General Committee's debate over a proposed agenda item calling for the formation of a working group to study Taiwan's participation in the UN. U.S. statement did not address directly the proposed agenda item. This is the first time the U.S. has spoken during such debate; Taiwan has worked to have its membership considered by the UN for many years. Taiwan knows that we oppose UN consideration of its membership. The debate ended without a vote and the Taiwan item was not placed on the UNGA plenary agenda. This is the same outcome as in previous years.

Does the U.S. oppose Taiwan's entry into the UN?

- * Long-standing U.S. position is to oppose Taiwan's entry into organizations such as the UN that require statehood for membership.
- * We support Taiwan's participation in organizations that do not limit membership to states, such as APEC and the WTO.

Why did the U.S. speak up in opposition to the motion on Taiwan's behalf in the General Committee yesterday for the first time?

- * U.S. representative in the General Committee reiterated U.S. "one China" policy.
- * Did not address in his public remarks our opposition to the proposed agenda item.
- * Purpose was to make clear our "one China" policy is unchanged.

U.S.-NORTH KOREA BERLIN TALKS

September 13, 1999

What happened in the Berlin talks? Did North Korea agree not to test missiles in exchange for the U.S. lifting sanctions?

* Ambassador Charles Kartman and Vice Minister Kim Gye Gwan held productive talks in Berlin from 7-12 September.

* Both sides agreed to take steps to create a positive context for improving bilateral relations and addressing each other's concerns.

* With respect to missiles, it is our understanding that North Korea will continue to refrain from testing long range missiles of any kind for the duration of our discussions to improve bilateral relations.

* This is an important initial step for addressing our concerns about North Korea's missile program.

* For our part, we are prepared to move forward to begin normalizing economic relations with North Korea.

* We are considering a number of measures to ease economic sanctions against North Korea and expect to make a recommendation to the President in the near future.

Aren't you just paying blackmail to North Korea again to stop it from misbehaving?

* By engaging North Korea, we are pursuing U.S. strategic interests to contain

the proliferation of WMD and ballistic missiles and strengthen security and stability in the Korean peninsula.

How did North the convey its agreement not to test missiles? Is it written? Oral?

* I'm not going to get into the details of our diplomatic exchanges with the North.

* As I said, it is our understanding that the North will refrain from testing long range missiles of any kind during our ongoing discussions to improve relations.

Does the freeze on missile tests include satellite launches, like the North Korean launch last August?

* "Long range missiles of any kind" includes satellite launches.

What kind of sanctions is the U.S. going to lift? Are you going to take North Korea off the terrorist list?

* We are considering several measures in the area of trade in non-sensitive goods and restrictions on investment.

* We expect to make a more detailed announcement in the near future, once we have an opportunity to study the results of the Berlin talks and make a recommendation to the President.

* With respect to the terrorist list, there a number of legal requirements that must be met before a country can be removed from the terrorist list. We do not believe that North Korea meets these requirements at this time.

Did you agree to give North Korea additional food assistance?

* Additional food assistance was not discussed in the Berlin talks.

Is a high-level North Korean official, like Deputy Foreign Minister Kang Sok Ju, going to visit Washington in October?

* We have no specific agreement at this time. However, as this process moves forward, a visit by a senior North Korean official to Washington is one possibility under consideration.

What if North Korea tests a missile anyway after you lift sanctions?

* We have made it clear to the North that another long range missile test of any kind would have serious consequences for bilateral relations and jeopardize our ability to continue food assistance and support for KEDO.

* Certainly, any sanctions that we may lift in connection with the Berlin talks would be immediately re-imposed. We have made that clear to the North Koreans.

EAST TIMOR
September 16, 1999

UNSC Action/Multinational Force

What is the mandate of the multinational force (MNF)?

* The UNSC resolution which was passed this morning at 2:15 states that the MNF is authorized to restore peace and security in East Timor, protect and support UNAMET (the UN presence that had to be withdrawn) in carrying out its tasks, and to facilitate humanitarian assistance operations.

* We understand specific tasks of the MNF are still being finalized by the Australians in consultation with us and other potential contributing states, and the Indonesians.

Can the MNF use lethal force?

* Yes. The Security Council authorized the MNF to take all necessary measures to fulfil its mandate. This includes the use of force if necessary.

When will the MNF deploy?

* The Australian Foreign Minister, who was in New York for the vote last night, briefed the Security Council that Australia was ready to lead the MNF as soon as possible. Our expectation is that initial elements of the force will be able to deploy to East Timor very soon, perhaps as early this weekend.

When would U.S. forces deploy?

* Now that the MNF has been authorized and created, the President will be consulting with Congress and making a formal decision on the specifics of the U.S. contribution to the force. He has already spoken about the type of support that is under consideration.

* Once the President has made his decision we will have much more details on the U.S. contribution.

* We believe other countries will be finalizing decisions about their contributions as well. We hope to be able to speak more about the overall coalition in the next day or so. The best information will be from Australia since they are in the lead.

There are reports that the Indonesian military will serve with the MNF or, at a

minimum, cooperate with the MNF. How can the MNF cooperate with Indonesian military forces that the President said "aided and abetted" the militia violence and atrocities?

- * We expect the Government of Indonesia to hold accountable any persons that have committed crimes.

- * In the next day or so, the Australians will be working out the detailed relationship between the MNF and those Indonesian forces that remain in East Timor for an interim period. We expect the Indonesian military forces to cooperate with the MNF that deployed to East Timor.

Human Rights Violations/or Violations of Humanitarian Law

Will the MNF arrest war criminals or persons that have committed atrocities?

- * The President has stressed the importance of safeguarding human rights especially in the period leading up to the deployment of the MNF. The Security Council authorized the MNF "to restore peace and security," which gives them authority to halt atrocities. Specific ROE are still be finalized, but we expect the MNF will take necessary actions to stop the atrocities.

- * The Government of Indonesia has a functioning judicial system. We understand UN High Commissioner for Human Rights, Mary Robinson, has already been working with the Government of Indonesia to assist in the development of an appropriate actions and investigations. We will continue to press the Government of Indonesia to hold perpetrators of crimes accountable for their actions.

- * IF PRESSED: If the government of Indonesia were to fail to take necessary steps to bring to justice perpetrators of crimes, the international community, including the U.S., could explore appropriate alternatives. At this time any such action is premature.

What is your response to the recent reports of atrocities in E. Timor?

- * We are appalled by the increasing number of reports of killings of civilians

and other gross human rights violations, and we condemn these atrocities in the strongest terms.

* Those responsible for these atrocities must be held accountable.

What are your views on UN High Commissioner for Human Rights Mary Robinson's comments that she and President Habibie agreed on the need for an international commission of inquiry?

* The United States welcomes Mary Robinson's efforts with the Indonesian Government to establish an international commission of inquiry to investigate atrocities in E. Timor. We believe those responsible for criminal acts must be brought to justice.

[IF ASKED ONLY]:

Should an international tribunal for E. Timor be established?

* All those who are responsible for atrocities must be held accountable before a credible authority-this is first a responsibility of the Government of Indonesia. It is premature to speculate on the exact form that should take should the Government of Indonesia fail to take responsible action.

Humanitarian Situation

What is the current humanitarian situation in East and West Timor?

East Timor: Little information is available regarding the situation inside East Timor, although it is clear that there has been considerable displacement of the local population. The last relief agency that was operational in East Timor was

forced evacuate at gunpoint on September 6. We believe that anywhere from 100,000-300,000 people have fled to the hills where food and water are in short supply.

* We understand that two expatriate staff from the International Committee of the Red Cross (ICRC) returned to Dili on September 14, with security guarantees from the military on the ground. We hope that ICRC will be able to assess conditions on the ground and resume deliveries of humanitarian supplies, and that other relief agencies will also be able to return as soon as possible.

West Timor: The Government of Indonesia estimates that 130,000 Timorese have been displaced to West Timor. While several international relief agencies are present there, access to the camps has been extremely limited. Reports from local staff indicate that food stocks are sufficient for 5-10 days, but water and sanitation conditions are poor.

What are we doing to address humanitarian needs?

* The primary obstacle to the delivery of humanitarian assistance is the rampant insecurity on the ground in East Timor, and insecurity and limited access in West Timor. The international force will seek to restore security in East Timor and facilitate the delivery of humanitarian assistance. We call on the Government of Indonesia to permit free, safe and unimpeded access to all vulnerable populations in East and West Timor.

East Timor: Donors and relief agencies in East Timor have developed a three-phased process to address likely immediate humanitarian requirements in East Timor.

* The first phase involves air dropping food and other supplies to populations in advance of the force deployment.

* The second phase involves targeted deliveries of blankets, medical supplies, high energy foods and rice via helicopter from Dili and Bacau. This assistance would be provided in the initial days of the force deployment, before ground access throughout East Timor was restored.

- * The third phase includes ground deliveries of food, shelter, water and sanitation supplies, in addition to seeds and tools to restore agricultural production.

- * The U.S. plans to support each phase of this process. We are currently exploring the best way to support air drops, in consultation with other donors and international organizations. The U.S. is also prepared to deliver relief supplies to the region and support relief agencies that are providing assistance on the ground.

West Timor: Prior to the referendum, USAID pre-positioned food aid and funded a local organization to establish wells and latrine systems in areas designated as reception sites for potential displaced. The reception centers have since been overwhelmed and more sites have been established.

- * Relief agencies, with support from the U.S. and other donors, are prepared to accelerate humanitarian assistance deliveries to the camps but have limited access due to insecurity and government restrictions.

- * We call on the Government of Indonesia to allow access by international agencies to the camps and to facilitate the delivery of humanitarian assistance.

Is the U.S. conducting humanitarian air drops?

- * We are currently exploring the possibility of air drops in East Timor with other donors and international organizations. We recognize, however, that air drops are not an efficient way to deliver assistance and, without a presence on the ground, can have no assurances that the aid is reaching its intended beneficiaries.

- * The only way that we can fully address the needs is to deploy a force that is capable of restoring a secure environment, at which time humanitarian agencies will be able to return and resume operations.

U.S. Relations with Indonesia

When will the U.S. resume suspended activities with the Government of Indonesia?

* Resumption of our suspended activities will be considered only after the Government of Indonesia has demonstrated its full cooperation with the MNF and the United Nations, and in the context of restoration of East Timor self-determination process. It is premature at this time to speculate when Indonesia will have taken these steps.

CHINA

September 11, 1999

What was accomplished during the President's meeting with Chinese President Jiang Zemin?

- * Presidents held a thorough and productive discussion of our bilateral relationship.
- * Atmosphere was friendly and free of polemics.
- * They decided to resume WTO talks immediately in Auckland. We continue to support China's accession to the WTO this year.
- * Significance of the meeting was that it put our bilateral relations back on track .
- * Differences continue to exist and will continue to be addressed.
- * President raised human rights issues, Tibet, freedom of belief. Will keep pressing on such issues as our dialogue with the Chinese expands in the months ahead.
- * On Taiwan, President urged peaceful resolution of differences between Taipei and Beijing, underlined constancy of our "one China" policy, and encouraged Beijing to sustain dialogue with Taiwan.

Did the meeting reverse all the activities (mil-mil relations, human rights and non-proliferation dialogues, port calls in Hong Kong, etc.) suspended in the wake

of the Belgrade bombing?

- * Presidents agreed to advance our bilateral relations.
- * Senior officials will be following up to flesh out this general commitment.
- * These activities are important not only for our bilateral relations but also for regional and global concerns.

Will there be a WTO agreement with China announced before the end of APEC?

- * WTO talks will begin immediately. We want to see China gain admission this year on a strong commercial basis, but will have to see where the talks lead.

If an agreement is announced, will U.S. grant permanent NTR to China?

- * Premature to judge whether or when an agreement might be reached. If we attain a strong bilateral agreement on China's accession to WTO we will work with Congress to secure China's permanent NTR status.

Can you offer any more detail on Taiwan?

- * Core of our policy is three pillars: one China, peaceful resolution, and cross-Strait dialogue to help achieve peaceful resolution. These three pillars apply to both sides of the Taiwan Strait.
- * President and Jiang discussing this face-to-face helped to clarify perspectives, reduce chance of misunderstanding.

Did Jiang ask that the U.S. reduce arms sales/preclude provision of TMD to Taiwan?

- * Can't speak to what Jiang had to say in the meeting, but the President stressed

fundamental continuity in our policy.

- * Three communiqués and TRA contain clear guidelines for our unofficial relations with Taiwan.

- * We will continue to adhere to the long-standing framework for our arms sales to Taiwan.

Any remaining issues from the Belgrade embassy bombing?

- * Have made \$4.5 million humanitarian payment in late August. Now discussing potential property payments, both to them and to us. Have made progress in this discussion, and will meet again soon on it.

- * Other issues largely resolved, and don't see this as an obstacle to return to a more positive bilateral agenda.

Was there discussion of PRC human rights situation?

- * President urged improvement in human rights and urged resumption of our human rights dialogue. Important that we have channels to discuss our differences as well as areas of common ground.

Any prospect of a positive development on Tibet?

- * Up to the Chinese to answer that question, but no indication of a breakthrough.

- * Establishment of dialogue between Chinese and Dalai Lama and/or his representative remains a high priority for us.

Any likelihood of movement on nonproliferation agenda?

- * We would like to advance discussion of arms control and nonproliferation issues. Core aspect of our relations that we seek to advance as a high priority.

ENCRYPTION

September 16, 1999

Why did the Administration change course on encryption?

* A balanced policy that furthers privacy and expands electronic commerce, while protecting law enforcement and national security, has always been our goal. Today's technological changes, including the promise of the Internet and need for encryption to protect privacy and our own national and defense infrastructures, requires a strategic and forward-looking approach to protecting our vital national security and law enforcement interests. Our policy provides such an approach, that balances the wide range of national interests..

Why is the Administration revising its encryption export policy now?

* Last year the Vice President promised that we would continue to review our encryption policy and make the necessary updates to adjust it to national security and law enforcement needs and the global market for information technology. This Update fulfills the Vice President's promise and puts our encryption policy on a strong footing.

How broad is this update? How does it change existing export controls?

* The Update represents a new framework for export controls that meet the needs of industry to be competitive in a global market place, while continuing to provide essential protections for national security. Any encryption commodity or software may be exported without a license after a technical review to commercial firms and other nongovernment end users in any country except for the seven state supporters of terrorism. Telecommunication and Internet service providers may use encryption commodities and software to provide services to commercial firms and nongovernment end users. Previous liberalizations for banks, financial institutions and other approved sectors are subsumed under this Update.

What happened to the delayed notice warrant ("secret search") provision?

* This delayed notice warrant provision appeared in a draft version of the bill. Although we remain concerned about the criminal use of encryption, the Justice Department will continue to operate under existing authorities and attempt to meet this threat. We will continue to vigilantly monitor the criminal use of encryption and, if necessary, request additional authorities later.

Isn't this bill just the Clipper Chip all over again?

* Not at all. First, CESA is technology neutral. As industry has requested, there is no hardware or software regulation or guidance by the government under this law. Second, CESA is carefully targeted to criminal activity. In some earlier proposals, including Clipper, the proposed regime would have affected the hardware or software for many or all users.

By removing the provision for unannounced searches of homes and businesses, isn't the Administration admitting defeat on its attempt to gain new authorities for law enforcement?

* The Administration has no desire to gain new law enforcement authorities. When telephones were invented, society faced a choice about whether law enforcement or other persons would be allowed to listen in on conversations from people's homes or businesses. In the 1960's, Congress passed the Title III law that governs wiretaps today. Title III makes wiretaps generally illegal, but authorizes them for law enforcement when strict conditions are met, in ways that go beyond the requirements of the Constitution.

* As encryption becomes widespread, we as a society are faced with a new, yet similar decision. The earlier draft of CESA would have followed Title III with unannounced searches allowed only when strictly defined standards were met -- essentially the same as our longstanding law on wiretaps. We continue to be concerned that criminals and terrorists will benefit from the widespread use of strong encryption by allowing them to cloak their communications and other

evidence of illicit activities from authorized law enforcement investigations. We believe that the provision for the limited use of encryption-related delayed notice warrants, would clarify existing law for searches that do not fit within the wiretap statute. We are taking a wait and see approach and will react appropriately as circumstances warrant.

When will regulations be published to implement this update?

* We plan to publish the implementing regulations by December 15, 1999.

With the Administration's announcement today, is the United States' encryption policy still consistent with the multilateral controls in the Wassenaar Arrangement?

* Last December, Wassenaar made a number of changes to modernize multilateral encryption controls. Today's announcement will harmonize our encryption controls with those of our Wassenaar partners. Our encryption items will still be subject to a technical review and will include reasonable post-export reporting requirements.

How does this compare with what other exporting countries are doing with encryption?

* We took careful account of our multilateral obligations and the licensing practices of our major trade partners in designing this Update. In particular, the Update helps make our regulations consistent with those being developed in the European Union, which permits the easy transfer of encryption items between EU member countries.

Why are governments treated differently?

* Under the new policy, exports to governments can be approved under a license.

We wanted to retain this licensing requirement to ensure that foreign policy considerations are fully reflected in any export decision.

COLOMBIA: STATUS OF U.S. ASSISTANCE

September 15, 1999

CONTEXT: The NY Times ran a lengthy Tim Golden article today on alleged plans for a big USG aid package to Colombia. In fact, the USG has just received and is studying a new integrated strategy that the Government of Colombia drew up to address its multifaceted challenges, including the stalled peace process, an economic slump, and the production and trafficking of illegal drugs. Meanwhile, the peace process in Colombia appears stalled for the moment as the government and guerrillas have been unable to agree on an international verification commission to oversee the demilitarized zone.

Any comment on today's New York Times piece on U.S. policy towards Colombia? Is the U.S. planning to provide more aid to Colombia?

- * We have made no decision on whether to ask Congress for more assistance for Colombia.

- * We have underway a comprehensive policy review to ensure the most effective strategy for reaching our policy objectives is in place. That is an ongoing process. We had a principals meeting in late August, we will have another in the next couple weeks. Want to reiterate no decisions about additional resources have come from these meetings.

- * We also have an ongoing discussion with Colombia about its needs. There has been no decision about what, if any, additional resources the U.S. Government would provide because such decisions logically would come only as an outcome of the ongoing policy review.

- * A primary focus of USG assistance will continue to be countering the production and trafficking of illicit drugs in Colombia, to protect counter-drug successes

elsewhere in the region and to reduce the amount of drugs entering the United States. At the same time, we will continue to work to advance other U.S. interests in Colombia by helping to strengthen its democracy and judicial system, speeding its economic recovery, supporting President Pastrana's peace efforts, and protecting human rights.

* Let me also reiterate the distinction between counter-drug and counter-insurgency assistance. The USG does not intend to provide counter-insurgency aid to the Government of Colombia. Any support to the Colombian military will continue to be focused on the common counter-drug objective and will be given only to units that have been vetted for any indication of human rights abuses.

Is the United States seeking to impose a security and counter-drug strategy on Colombia?

* No. The Colombian Government and the USG have been discussing the problems in Colombia on a continuing basis for more than a year. Recently, this dialogue has intensified.

* We assisted the Colombian Government in developing a comprehensive, integrated strategy to deal with the major problems confronting Colombia, including narcotics trafficking, the economic slump, and the insurgency. The strategy that emerged from this process, however, was developed by, and approved by, the Government of Colombia.

Any comment on the status of the peace process in Colombia?

* The peace process appears stalled for the moment because of differences between the government and the FARC [Revolutionary Armed Forces of Colombia] over international verification of activities in the demilitarized zone. We have seen press reports of a new initiative to restart those talks and are hopeful that that initiative will pay off.

* Starting a peace process in a country that has suffered 40 years of civil conflict and over 35,000 dead in the past decade alone is not easy. We never expected that a peace settlement with the guerrilla groups could be achieved quickly. Lessons from similar disputes elsewhere suggest that the start-up phase of talks is particularly prone to lengthy delays and setbacks - and sometimes by unexpected breakthroughs.

UNSC/IRAQ: P5 POLITICAL DIRECTORS IN LONDON
September 16, 1999

BACKGROUND: U/S Pickering and A/S Welch were in London today for a meeting of P5 Political Directors. The meeting focused on Iraq and key provisions of the Dutch/UK draft resolution, which the Security Council has been considering since April. The NYT today reports a "possible major softening" of the U.S. position. The P5 UN Missions are expected to continue discussing the Iraq resolution issue on Friday (9/17) in New York. The P5 Political Directors tentatively agreed in London to meet again in New York early next week. We should avoid detailed comment on possible meetings next week until they are confirmed.

N.B. The draft already has nine co-sponsors (Argentina, Bahrain, Brazil, Canada, Gambia, Namibia, Netherlands, Slovenia, UK) and 11 supporters (co-sponsors + Gabon, U.S.) in the Council.

What was the outcome of the P5 Political Directors meeting in London yesterday?

- * U/S Pickering was in London yesterday for a meeting with his P5 counterparts. Their agenda focused on Iraq and the Dutch/UK draft resolution.
- * The London meeting was serious and substantive. It came in the context of ongoing P5 contacts which we hope will promote consensus on Iraq and help enable the Security Council to act soon on the Dutch/UK draft.

Did the United States agree to discuss suspending sanctions on the import of civilian goods if Iraq cooperates with a revived UN weapons inspections program?

- * We've made clear our overarching goal: to get Iraq to comply fully with its obligations under the Security Council resolutions.
- * Our ongoing contacts with the other permanent members of the Security Council are aimed at building Security Council consensus on an approach which will put

weapons inspections teams back in Iraq and improve the humanitarian situation for the Iraqi people, while maintaining sanctions on the regime.

Would you agree to lift or ease sanctions in order to get Saddam Hussein to comply with the resolutions?

* I'm not going to get into details of the P5 discussion of a draft resolution.

* The standard which Iraq must meet is the same as it has always been. Iraq must comply fully with all UNSC resolutions.

* We should not agree to any measure of sanctions relief in the absence of Iraqi compliance. KEN - THIS IS LEFT OFF STATE'S FINAL VERSION. TAKE OUT HERE?

Will there be further P5 meetings in coming days aimed at resolving this matter?

* P5 members have been meeting regularly for quite some time, in New York and in capitals, to discuss the Dutch/UK draft resolution on Iraq.

* We expect such meetings to continue in New York and in capitals until the Council acts on the draft resolution. But I have nothing further right now on timing or venue of such meetings.

When will the Security Council act on the Dutch/UK draft?

* That's a matter for the Council to decide. We would like to see the Council act on the draft.

China, France and Russia have advocated a different approach on Iraq. Do you expect one of them to veto the Dutch/UK draft when it comes before the UNSC for a vote?

* I'm not going to speculate on future actions by members of the Security

Council.

* The Dutch/UK draft already has the support of 11 of the 15 Security Council members. We would like to see it adopted as soon as possible with the broadest possible support within the Council.

PAKISTAN: VISIT BY FIRST BROTHER

September 16, 1999

* Shahbaz Sharif, Chief Minister of Punjab and brother of Pakistani PM Nawaz Sharif, is visiting Washington and will be having meetings with World Bank and IMF officials.

* He is also meeting with US officials as part of our ongoing discussions with Pakistan.

* He is seeing NSC Senior Director Bruce Riedel and Ass't Secretary of State for South Asia Rick Inderfurth today (Thursday), and had dinner with Deputy Secretary of State Strobe Talbott last night.

(If asked whether he is visiting because of a political crisis in Pakistan or the region):

* The possibility of Mr. Sharif's visit has been under discussion with Pakistan for several weeks. His meetings with U.S. officials are part of ongoing U.S.-Pakistan consultations.

PLO: ARAFAT MEETING

September 15, 1999

Can you confirm a meeting between President Clinton and Chairman Arafat?

* We can confirm, though date not set yet.

* Discussion will focus on bilateral relations and on permanent status talks.

IRAN: PRESIDENTIAL LETTER

September 14, 1999

Did the President send President Khatemi a letter recently?

* Yes. We do communicate with the Iranians from time to time.

Was the letter about Khobar? What was the letter about?

* I'm not going to go into details.

* (If pressed) I'm not going to discuss the details of Presidential correspondence.

LIBERIANS: IMMIGRATION STATUS

September 16, 1999

CONTEXT: For the past eight years, approximately 10,000 Liberians in the U.S. have enjoyed Temporary Protected Status (TPS), a temporary stay of deportation authorized by the Attorney General when she deems it unsafe for people to return to their home country. TPS is typically granted on an annual basis. In July, after consultation with the Department of State, the Attorney General published a notice in the Federal Register indicating that conditions in Liberia did not

justify a further extension of TPS. Thus, TPS for Liberians will currently expire on September 28. Legislation has been introduced that would grant Liberians with TPS permanent legal status but the prospects for the passage of such legislation are dim. The Senate has also passed a provision as part of the Commerce, State, Justice appropriations bill that would extend TPS for Liberians for an additional year. The House bill does not contain such a provision so the issue will be decided in the Conference on the CJS bill.

Since the announcement that TPS for Liberians would be allowed to lapse, Liberians and their supporters, including prominent members of the Congressional Black Caucus, have urged the President to grant Liberians Deferred Enforced Departure (DED), an extraordinary form of temporary relief that in certain circumstances may be granted by the President based on his foreign affairs authority under the Constitution. Liberians and the CBC will hold a press conference at the National Press Club on Thursday and a vigil at the White House on Sunday at which they will urge the President to grant DED. The Administration is currently considering whether a grant of DED or some other form of administrative relief would be appropriate.

TPS for approximately 10,000 Liberians will expire on September 28. What is the Administration doing to address the situation of these Liberians?

- * The Administration recognizes that many Liberians in the U.S. under TPS have established strong ties in the U.S. during the time they have benefited from TPS.
- * The Administration is considering several options to address the circumstances of this group. We intend to make a final decision as soon as possible and certainly before the expiration of TPS on September 28.
- * [If asked] Is Deferred Enforced Departure (DED) among the options under consideration?
- * Yes, although it's important to acknowledge that this is an extraordinary remedy.

Why did the Attorney General decide to let TPS lapse for Liberians?

* Based on a recommendation from the Department of State, the Attorney General determined a further extension of TPS was not justified.

UNITED NATIONS

September 15, 1999

* Morning, pays courtesy call on UNGA Secretary General Kofi Annan and Namibian Foreign Minister Theo-Ben Gurirab, who is to serve as the President of the 54th General Assembly.

* Around 10:45, President delivers speech to the United Nations General Assembly. Topic is broad - millennial challenges, the fight against extreme poverty around the world, responding to genocide and crimes against humanity, and nonproliferation. Some on UN arrears.

* Attends luncheon hosted by Secretary General Annan for heads of delegation.

* Afternoon, holds bilateral with a number of foreign leaders.

THE WHITE HOUSE

Office of the Press Secretary
(Queenstown, New Zealand)

For Immediate Release September 14, 1999

STATEMENT BY THE PRESS SECRETARY

President to Address the United Nations General Assembly

President Clinton will travel to New York City on September 21, 1999 to address the 54th Session of the United Nations General Assembly. The President also will meet bilaterally with a number of leaders to discuss issues of mutual concern.

#

DEFENSE AUTHORIZATION BILL AND DOE September 16, 1999

Will the White House veto the DOD authorization conference report, based on the DOE reorganization provisions?

* The DOE reorganization provisions went backwards in conference. The conferees took good provisions on accountability and clear lines of authority, and weakened them. But there are a number of provisions in this bill, in addition to those relating to the DOE reorganization issue.

* We have not yet decided what we're going to do on the conference report.

MILITARY READINESS September 15, 1999

BACKGROUND: Recent press articles criticized the Administration for allowing military readiness to decline. Readiness did, in fact, decline as Defense budgets declined over the past fifteen years and three Administrations. To halt this decline and improve military readiness, the President's Budget for FY2000 will increase resources available for readiness by more than \$12 Billion. In addition, the President has proposed a Budget that will significantly improve readiness across the Future Year Defense Program (FYDP).

Why did military readiness decline?

* When the Clinton Administration took office, we were in the eighth straight year of declining defense budgets from the FY85 Reagan build-up peak that had, in the aggregate, reduced defense spending by over 25%, adjusted for inflation. (Gulf War in FY91 was an anomaly-but coalition receipts more than covered the temporary, one-year increase.)

* President Clinton ran in 1992 on a defense platform that explicitly restrained defense spending further-but only about \$60 Billion less than the levels for FY93-97 that had been projected by President Bush. This was done for "shared sacrifice and shared austerity" among all the budget programs-a strong national security posture must be founded on a strong economy, and Defense must do its part.

* The President's plan worked! There was a surplus of \$69 Billion in FY99 - a swing of \$400 Billion. Surpluses through the next decade should reach \$2.5 Trillion. We are also experiencing the lowest inflation, unemployment, crime and welfare recipients in the last 25-30 years. All of these promote our national security and enhance the Quality of Life of our troops and their families.

* Within constraints of this deficit control policy, defense spending through the first six years of the Clinton Administration only declined, in real terms, by about 12%--less than half the decline experienced during the previous eight years of the Reagan second term and the Bush Administration.

* Diminishing defense budgets were not the only cause for declining military readiness. Other factors also contributed to the problem, such as:

* Congress failed to approve two additional BRAC rounds the President had requested.

* Congress failed to authorize procurement reform and contracting efficiencies that the President had requested.

* Congressional procurement add-ons distorted the balance with readiness accounts.

* Lack of progress on START II and START III, which precluded potential savings from drawing down nuclear forces in compliance with those treaties.

- * Delayed reimbursement of readiness accounts that had to be tapped to cover the cost of contingency operations while awaiting supplemental appropriations.
- * A strong economy that raised the cost of recruitment and retention for the All Volunteer Force.
- * Numerous humanitarian relief efforts and crisis response missions that increased operational tempo and costs for our military forces.

What has the President done to improve readiness?

- * Won Congressional support for a \$1.85 Billion Emergency Supplemental for operations in Bosnia and Southwest Asia.
- * Won Congressional support for a \$1 Billion FY 98 readiness reprogramming.
- * Won Congressional support for \$1.9 Billion in emergency spending for Bosnia.
- * Requested and won approval for \$1.1 Billion in FY99 in emergency spending as a readiness supplemental.
- * Won Congressional support for \$5.1 Billion in FY99 for emergency spending for Kosovo and Southwest Asia .
- * Proposed an FY00 Budget that will increase military pay 4.4% and increase the 20 year retirement benefit from 40% (the "redux" level enacted for personnel who joined the military after August 1, 1986) to 50% of average base pay over the last three years of service (known as "high three").
- * Proposed an FY00 Budget increase of \$12.6 Billion for defense readiness and modernization through a combination of new spending and budgetary savings.

Will this be enough to correct all military readiness problems?

- * No. The President has proposed a \$112 Billion increase in FY00 through FY05, again through a combination of new spending and budgetary savings, for readiness, modernization, and other high priority defense requirements.

* We will continue to urge Congress to authorize additional BRAC rounds, ratify the START treaties, and enact procurement legislation which will contribute to military readiness.

U.S. COMMISSION ON NATIONAL SECURITY/21ST CENTURY
September 16, 1999

BACKGROUND: Yesterday (Wednesday, 15 Sep), the Secretary of Defense's "United States Commission on National Security/21st Century" issued the first of three reports which will eventually propose a national security strategy for the next century. This first report describes the world emerging in the first quarter of the 21st Century. The second report will design a national security strategy appropriate to that world and the final report will propose changes to the national security structure in order to implement that strategy.

What is the United States Commission on National Security/21st Century?

* This is a Commission chartered by the Secretary of Defense and co-chaired by ex-Senators Gary Hart and Warren Rudman. Their mandate is to develop a national security strategy which will counter threats emerging in the first part of the 21st Century.

What is contained in the first report released yesterday?

* I refer you to the Department of Defense for the contents of the report.

Will the Administration use the report to develop a new national security strategy?

* The Commission's far reaching report will be useful to the dialogue on national security policy.

NATIONAL SECURITY STRATEGY

September 15, 1999

CONTEXT: The President is required by law to make an annual report to the Congress on his national security strategy. The National Security Strategy (NSS) is coordinated with departments and agencies in the executive branch that have responsibilities related to national security. The first draft of the 1999 NSS was sent out in July for preliminary coordination, the second draft will be sent out for final coordination in September, and it will be published in October.

Has the NSC staff drafted a new global strategy for the next century?

- * National Security Strategy is an annual report to the Congress required by statute since 1986.

- * President Clinton's National Security Strategy is a global strategy and is oriented toward the next century, as stated in its title "A National Security Strategy for a New Century" - which was title of 1997 and 1998 reports.

- * Draft 1999 report does not present a new strategy:

- * Reiterates President's strategy of engagement, first articulated in his 1994 report.

- * Contains same three core objectives as every previous Clinton Administration report: enhancing our security, bolstering our economic prosperity and promoting democracy.

- * Most revisions in draft 1999 report reflect changes in international arena and corresponding changes in U.S. policies since 1998 report. For example, its discussion of Balkans has been revised to reflect changes in U.S. policies in wake of conflict in Kosovo.

- * Keep in mind that report is still in coordination and its language could well be revised based on inputs received from various agencies that review it.

Does the report call for using U.S. military forces to an even greater degree for humanitarian and peacekeeping missions, exacerbating military readiness problems?

* No. Like previous reports from 1994 onward, draft 1999 report notes that U.S. military forces play an important role in protecting U.S. national interests and supporting U.S. foreign policy objectives.

* Also like previous reports, draft 1999 report explains that military forces often are not most appropriate tool for dealing with foreign policy challenges. Their use must be selective, focused on situations in which their unique capabilities are needed for achieving U.S. national security objectives.

* Like 1998 report, draft 1999 report emphasizes importance of maintaining high level of military readiness, which has been and will continue to be one of President's top defense priorities.

Does the report contain the 'Clinton Doctrine'?

* Although press occasionally labels the President's remarks on responding to ethnic cleansing a 'doctrine', President does not consider them to be such.

* National Security Strategy lays out full range of President's national security and foreign policy objectives, which are centered on core objectives of enhancing our security, bolstering our economic prosperity and promoting democracy.

* Past reports and draft 1999 report describe President's objective of promoting adherence to universal human rights and democratic principles.

* Ethnic cleansing obviously violates internationally recognized human rights principles, thus challenging U.S. objective of promoting those principles as a basis for lasting international peace and stability.

* In addition to being a cause for concern on humanitarian grounds, ethnic cleansing can threaten regional stability, giving rise to potentially serious

national security concerns.

* Nature of U.S. response to ethnic cleansing depends on a number of factors, particularly reaction of the international community and role of United Nations and other international organizations. U.S. response will not necessarily be military. We have a broad range of political and economic tools at our disposal for dealing with crises abroad.

Does the report state that the U.S. would not fight two theater wars simultaneously?

* Draft 1999 report, which is essentially unchanged from 1998 report, states that "...for the foreseeable future, the United States, in concert with allies, must be able to deter and defeat large-scale, cross border aggression in two distant theaters in overlapping time frames."

* This is consistent with language used DOD's 1997 Quadrennial Defense Review report.

* Neither 1998 report nor draft 1999 report predicts whether or not two theater wars might break out simultaneously. I would point out that the Quadrennial Defense Review report and the last two annual reports by the Secretary of Defense also do not make such a prediction. There simply is no significant change in this section of the report.

CONTINGENCY PRESS GUIDANCE ON NIE ON BALLISTIC MISSILE THREATS (Draft: 9/9/99/3:50 p.m.)

Overview

* We agree that the proliferation of ballistic missiles presents a growing threat to the U.S. and our allies. That is why we are taking steps to stem the spread of ballistic missiles and related technology, and deter and defend against their use.

Nonproliferation policy

- * The Administration has placed a high priority on preventing the spread and development of these systems.
- * Our nonproliferation efforts include: support for the Missile Technology Control Regime (MTCR); efforts to strengthen missile export controls in Russia and China; support for UNSC limitations on Iraq's missile program (as well as continued U.S. determination to prevent Iraq from reconstituting proscribed missile programs); and negotiations with North Korea to limit its export, testing, development, and deployment of missiles.
- * Although we have had a number of successes in slowing - and in some cases - stopping foreign missile programs and strengthening export controls, we recognize that countries such as North Korea, Iran, and Iraq present an ongoing threat.

Missile Defense

- * Our national missile defense (NMD) program and policy regarding the ABM Treaty takes full account of the September 1999 National Intelligence Estimate on Foreign Missile Developments and the Ballistic Missile Threat to the United States.
- * To counter the threat posed by emerging rogue state missile programs, the Administration is committed to the development of an NMD system, as well as the maintenance of a robust deterrent force.
- * The President has said that he will make a decision on NMD deployment next summer. It is now clear that NMD deployment would require changes to the ABM Treaty.
- * With this in mind, the President has recently made some decisions that will enable us to begin engaging Russia now on changes to the ABM Treaty that would be necessary if we seek to deploy a limited NMD system.
- * We are in the process of beginning discussions with Congress, allies and the

Russians on this issue.

- * The Administration is also committed to the development and deployment of theater missile defense systems to counter the threat from shorter-range ballistic missiles.

NATIONAL MISSILE DEFENSE AND THE ABM TREATY

September 8, 1999

CONTEXT: The Washington Post reported on September 8 that President Clinton has decided to ask Russia to agree initially to relatively modest changes to the ABM Treaty, and that the first set of changes sought by the Administration would place 100 interceptor missiles in Alaska. The article states that as the missile threat is perceived to grow and U.S. technologies improve, the U.S. would seek further treaty amendments to permit more than 200 interceptors, at least two launching sites, advances in radar and the use of space-based sensors. Secretary Cohen is quoted as noting that "we also have to get the concurrence of our allies in order to make an effective anti-missile system," and that "they still look on the ABM Treaty as being one of the stabilizing factors in the relationship with Russia. It's important for us to proceed in a responsible fashion." Finally, the article quotes Secretary Cohen's insistence that he and the President's top national security aides were unanimous in their support for the phased approach: "This first phase will give us the kind of protection we'll need for the immediate missile threat."

POLICY

- * U.S. is committed to the development of a limited NMD system. The system is designed primarily to counter the threat posed by emerging rogue state missile threats.

- * No decision has been taken on whether to proceed with deployment: a decision on whether to deploy a limited NMD will not be made until the year 2000 or later.

- * The ABM Treaty remains a cornerstone of strategic stability and the U.S. is

committed to continued efforts to strengthen the Treaty and to enhance its viability and effectiveness.

(Core Press Points)

- * It is clear there is an emerging ballistic missile threat from rogue states.
- * We are moving forward as quickly as we can with our NMD research and development program, and will make a decision on deployment consistent with considerations of feasibility, threat, cost and arms control.
- * The President has said that he will make a decision on NMD deployment next summer. It is now clear that NMD deployment would require changes to the ABM Treaty.
- * With this in mind, the President has made some decisions that will enable us to begin engaging Russia now on changes to the ABM Treaty that would be necessary if we seek to deploy a limited NMD system.
- * We are in the process of beginning discussions with Congress, allies and the Russians on this issue.

(If asked questions and answers)

Can you explain the Administration's "two-phase" approach to negotiations on ABM? What is in the "first phase?" What is in the "second phase?" What is the rationale?

- * Underscore that no decision has been taken on deployment: that decision will be taken next summer, taking into account feasibility, the threat, cost and arms control.
- * While we have not made a decision on whether or not to proceed with deployment of a limited NMD system, we believe NMD deployment would require changes to the ABM Treaty.
- * The U.S. is currently discussing with Congress, our allies and Russia how this

might be done.

* The approach the Administration is taking will give us the level of protection we will need for the immediate missile threat, and proceed in a responsible fashion with our allies and Russia. Beyond that, not going to get into specifics.

Have you made a decision that the NMD would be initially based in Alaska, and not Grand Forks, if deployed?

* Again, we have not made a decision to proceed with deployment; not going to discuss specifics of a possible deployment architecture.

[If pressed on Alaska basing]

* We anticipate that any initial NMD deployment would be Alaska-based.

[If pressed on whether Grand Forks could be the location of a subsequent deployment]

* We have made no decisions regarding the location of a second site.

What can you tell us now about our "long-term" goal for NMD?

* Not going to get into specifics; however, our long-term goal includes a second site, along with additional interceptors and radars, and will address future threats as we project them now.

Why doesn't the Administration simply deploy this architecture from the start and negotiate these changes now with Russia?

* The approach the Administration is taking with respect to NMD will give us the kind of protection we will need for the immediate missile threat.

* With respect to the ABM Treaty, we are proceeding in a responsible fashion with Russia and our allies.

Aren't you placing American security at risk by not simply scrapping the ABM Treaty and proceeding with NMD?

* The approach the Administration is taking with respect to NMD will give us the kind of protection we will need for the immediate missile threat.

* This approach will enhance our overall security, and takes into account the diverse nature of potential threats to our security, including the emerging ballistic missile threat from rogue states.

Is it true that the Administration's approach to the issue of NMD deployment and/or negotiations was less than the Pentagon wanted?

* The President's principal advisors have been fully engaged on these issues and were unanimous in their support for the approach we are taking.

Is it true that Strobe Talbott was in Moscow to discuss the NMD/ABM issue? Is the Administration currently consulting with Allies? What can you tell us about these discussions?

* The Deputy Secretary was in Moscow last week and discussed issues associated with NMD, ABM and START among other matters on the U.S.-Russia agenda.

* We are also consulting with allies.

* Don't have any details to share with you from these discussions.

Will more money be needed in the President's budget to support this approach?

* That issue will be addressed in putting together the President's Fiscal Year 2001 budget for presentation to Congress next year.

What is the relationship between the ABM issue and START III? Is the Administration proposing to make concessions in START III to get a deal on ABM, and if so, what are these concessions? What are Russia's incentives to agree to a deal on ABM, in particular, if they know there is a "second phase" on the horizon?

* At Cologne, Presidents Clinton and Yeltsin agreed that discussions on both START III and the ABM Treaty would begin later this summer.

* That said, we believe that both the START III Treaty, and an agreement on ABM, can and must stand on their own merits.

* Believe the U.S. and Russia have a shared and continuing interest in strategic stability, the ABM Treaty and the START process; this is the basic context for an agreement on both START III and ABM.

[If pressed on a lower START III ceiling]

* Believe that the understanding on warhead numbers agreed at Helsinki should be the basis for our negotiations.

COMPEHENSIVE NUCLEAR TEST BAN TREATY

September 1, 1999

CONTEXT: On July 20, President Clinton made a statement calling for the Senate to give its advice and consent to the Comprehensive Nuclear Test Ban (CTBT)

Treaty. A bipartisan group of nine Senators is scheduled to hold a press conference this afternoon in support of Senate action on CTBT. President Clinton was the first world leader to sign the CTBT in September, 1996; 152 nations have now signed, and 41 have ratified. The Treaty was sent to the Senate for approval in September, 1997 - almost two years ago - but is still pending a hearing in the Senate Foreign Relations Committee. Chairman Helms has said he will not schedule hearings on the CTBT until the Administration submits the Kyoto Protocol and 1997 agreements on the ABM Treaty to his committee for advice and consent. The Treaty will only enter into force 180 days after it has been ratified by the 44 states listed in an annex to the Treaty. The U.S. is one of those 44 states.

POLICY

- * U.S. is committed to the early entry into force of the CTBT.

- * In his July 20 statement, the President said that "at a minimum, the Senate Foreign Relations Committee should hold hearings this fall" to allow each side to make its case and allow the Senate to decide this matter on the merits.

Why is the Administration making a big push on this treaty now?

- * The President said again last Wednesday that ending nuclear testing was one of his top foreign policy goals, since the beginning of his administration. The President signed the Treaty in September '96 and listed it in the State of the Union as important to our national security interests.

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

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

- * A conference of states that have ratified the Treaty will take place this

October if the Treaty has not entered into force; for the United States to be a full participant at that conference, we need to ratify ourselves.

- * Finally, the American public overwhelmingly supports ratification.

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

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

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

- * The Senate should consider CTBT on its own and on its merits.

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

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

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

- * Yes.

- * The Secretaries of Defense and Energy - supported by the Directors of the National Weapons Laboratories, the Commander in Chief, United States Strategic Command, and the Nuclear Weapons Council - have certified for the past three years that nuclear tests are not required, and that our program of stockpile

stewardship is working to maintain our deterrent in the absence of nuclear testing.

Some say that the Cox report shows that you should actually be developing new nuclear weapons to stay ahead of proliferators.

- * Believe the concerns over nuclear espionage discussed in the Cox report have led many to draw the right conclusion that the CTBT can constrain states such as China and others from developing more advanced nuclear weapons capabilities.

- * The report itself notes that testing in violation of the CTBT could further accelerate China's nuclear development. Thus, it is in our interest to bring CTBT, which China has signed, but not ratified, into force.

- * More broadly, the United States today maintains a nuclear deterrent second to none; CTBT, combined with our stockpile stewardship program, will preserve, not preclude, our maintaining this position.

STATE DEPARTMENT PRESS GUIDANCE
ON COMPREHENSIVE NUCLEAR TEST BAN TREATY RATIFICATION
August 30, 1999

CONTEXT: President Clinton signed the CTBT in September 1996 and transmitted it for the Senate's advice and consent in September 1997, but Senate Foreign Relations Committee hearings have not been scheduled yet. The New York Times article focused on strategies to break this impasse, including generating public pressure to consider the Treaty, blocking other Senate business until an agreement is reached to hold hearings and a vote, and making enough progress on START and ABM issues to move the CTBT forward. The article included criticisms of Administration passivity and promises that senior officials will push the Treaty more publicly in the coming weeks.

Why is prompt Senate approval of the CTBT important? How does the Administration plan to address conditions by Senate Republicans and Russia on CTBT? What is our view of Senator Helms' position of dealing with global warming and START/ABM-related agreements first? In what way will the Secretary "push" the Treaty more publicly? What's the status of START III and meetings scheduled in Washington with Dep Sec Talbott on September 17?

* CTBT ratification is a top priority for this Administration, as President Clinton underscored in his July 20 Rose Garden Address. As the President has said, it is the longest-sought, hardest-fought prize in arms control history. It is the unanimous judgment of our national security team that the CTBT will further reduce the nuclear threat to the United States, and to our friends and allies.

* The CTBT has been signed by 152 states and ratified by 43, including France, Britain and many other close allies. But the Treaty cannot take effect until it has been ratified by 44 specific states, including the U.S. and the other nuclear weapon states.

* At the Cologne Summit in June, Presidents Clinton and Yeltsin agreed to begin discussions on START III and the ABM Treaty and the Russians gave assurances that they will seek START II ratification this fall. At the first such discussion, held in Moscow on August 17-19, both sides reaffirmed their desire to speed START II ratification and to begin START III negotiations immediately thereafter. They discussed general approaches to ensuring the viability and effectiveness of the ABM Treaty. We look forward to future meetings on these issues.

IF ASKED:

* We fully respect the prerogatives of the Chairman of the Foreign Relations Committee and in no way question the sincerity of his convictions. But the national security is best served by a free and open debate on the merits of the CTBT, for which SFRC hearings are essential.

