

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	Mary Peters to Brian Cullin et al re: Quebec referendum (40 pages)	10/30/1995	P5
002. email	James Fetig to Mary Peters re: Cretien phone call; Phone No. (Partial) (3 pages)	10/30/1995	P5, P6/b(6)

COLLECTION:

Clinton Presidential Records
NSC Emails
MSMail - Record (Sept 94 - Sept 97) ([Quebec and refer])
OA/Box Number: 590000

FOLDER TITLE:

[10/30/1995]

Jamie Metrailler

2007-0302-F

im245

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

M S M a i l

DATE-TIME 30 October 95 14:56

FROM Peters, Mary A.

CLASSIFICATION UNCLASSIFIED

SUBJECT Quebec Referendum [UNCLASSIFIED]

TO Cullin, Brian P.
Fetig, James L.
Johnson, David T.
Naplan, Steven J.
Schuker, Jill A.
Wozniak, Natalie S.

CARBON_COPY NO CC's on THIS MESSAGE

TEXT_BODY

Here is proposed guidance for both a "yes" and a "no" vote. Jim, David, any reaction to the idea of Blanchard going on "Nightline"?[[OCT30GUL.DOC : 3644 in OCT30GUL.DOC]]

ATTACHMENT FILE DATE 30 October 95 8:31

ATTACHMENT FILE NAME OCT30GUL.DOC
NATIONAL SECURITY AFFAIRS GUIDANCE

October 27, 1995

CANADA
Quebec

EUROPE

Bosnia/Croatia

Ireland

NATO Enlargement

Russia

START II

Eximbank and Ilyushin Aircraft

CFE

MIDDLE EAST

Iraq Sanctions

Dole-Jerusalem Bill

Algeria

Amman Economic Summit

ASIA

Jiang Meeting Accomplishments

LATIN AMERICA

Mexico

Cuba

MISCELLANEOUS

CWC

Defense Appropriations

QUEBEC

BEFORE THE REFERENDUM:

Q: What is the White House position on the referendum on Quebec sovereignty?

A: This is obviously an internal Canadian issue. It's going to be decided locally.

However, I can say on behalf of the President that a strong and united Canada has proven to be a great country as well as a powerful ally, and we hope it will continue. I am sure that most Americans agree.

I would recall what the President said before the Canadian Parliament in February:

"In a world darkened by ethnic conflicts ... Canada has stood ... as a model of how people of different cultures can live and work together in peace, prosperity and respect."

[IF ASKED]

Q: Do you support Secretary Christopher's statement that Quebec would not enjoy the same type of relationship?

A: As Secretary Christopher explained, the ties between our two countries have been carefully cultivated, and we should not take for granted that a new entity would have exactly the same kind of ties.

Q: What is the Administration's position on NAFTA membership for an independent Quebec?

A: This is a hypothetical situation, and any speculation would be inappropriate. I can say, however, that nothing is automatic. Complicated legal issues are involved, and we have given no assurances to any party.

AFTER THE REFERENDUM

Q: What is the U.S. position on the outcome of the Quebec referendum?

IF QUEBEC VOTES NO

A: The President has expressed his admiration for strong and united Canada, We look forward to a continuing close relationship with all Canadians in years to come.

IF QUEBEC VOTES YES

A: It is up to Canadians to work out their future constitutional arrangements. It will be some time before the meaning of the referendum for Canada is clear. It would be premature to speculate on its impact on the U.S.

Recognition?

A: Since the Canadians have yet to work out their future constitutional arrangements, it is premature to consider the question of recognition of Quebec,

Border Crossings?

A: Since this is a time of transition, nothing will change in the immediate future.

NAFTA?

A: This is one of many issues that will have to be analyzed in light of whatever constitutional, political and economic arrangements are made by Canadians in the wake of the referendum. Complicated legal issues are involved, and nothing is automatic. We have given no a

ssurances to any
party.

BOSNIA/CROATIA

Atrocities

- ù Continue to condemn these gross violations of human rights.
- ù Led vigorous effort to uncover/publicize evidence of war crimes in Balkans.
- ù Shattuck three times raised issue with Serbs.
- ù President (October 15) said we fully support war crimes International Tribunal.
- ù Actively support investigating international organizations (UNHCR , Red Cross)
- ù Stopping atrocities one main reason for active U.S. role in the peace negotiations

Srebrenica

- ù Did not know anymore than UN about the Bosnian Serb's intent to attack Srebrenica.
- ù Did not have prior info on BSA intent to commit atrocities.

12-Month IFOR Time Limit

- ù U.S. position: IFOR military aspects should have finite duration (NATO/NAC accept

ed)

- ù Believe military aspects accomplished in about one year.
- ù Will not make final decision on duration until final peace agreement/completed OPLAN.
- ù 12 months NATO planning figure not been formally adopted by Alliance.
- ù One year sufficient to establish stable ground situation.
- ù Desire to create stable balance through arms reductions, but this will also require some military support for Federation forces to ensure they have an effective self-defense capability.

Russian IFOR Participation

- ù Hope Russia will participate in IFOR. Consistent with important role Russia played in diplomatic process.
- ù Mission requires NATO backbone of IFOR , single chain of command and robust ROE.
- ù Prefer NATO/Russian forces not separated between Federation and Serb areas.
- ù Major Hyde Park topic of discussion.
- ù Yesterday Perry/Grachev met to discuss Russian roles/functions in IFOR. Talks productive, progress made, work will continue through Saturday.
- ù French understand our position. Wrote letter to Chirac to this effect last Friday

Diplomatic Track: Next Steps

- ù Cease-fire remains in effect and fighting stopped throughout most of Bosnia.
- ù President reviewed preparations for peace talks with Russian President Yeltsin at

Hyde Park, as well as
Russia's role in the implementation on Monday.

ù Our negotiating team is in New York today completing preparations for proximity talks that will begin
November 1 in Dayton, Ohio.

ù President met Izetbegovic and Tudjman, Tuesday, in New York to encourage flexibility in talks/importance of
strengthening cooperation within Bosnian-Croat Federation.

Proximity Talks

ù Although Moscow meeting canceled, proximity talks still scheduled Nov. 1.

ù Talks co-chaired by Holbrooke/Bildt. Goal to secure final peace agreement that parties will initial in Dayton.

ù Balkan parties: Presidents Izetbegovic, Tudjman, and Milosevic plus Contact Group partners.

ù Intensive U.S. /CG diplomacy - parties agreed Geneva (9/8/95)/New York (9/26/95) to settlement basic
principles: Bosnia as single state; 51/49 basis for territorial solution; constitutional structure; democratic
elections; and subsequently to cease-fire.

ù Difficult issues still to be resolved: (i) internal boundary for Bosnian-Croat Federation/Serb Republic; (ii)
Sarajevo status; (iii) practical steps to separate forces /ceasing hostilities; (iv)
election procedures.

ù Dayton will not focus on Eastern Slavonia.

ù After Dayton, next steps: Paris international peace conference and implementation conference in London. May

be meetings after Paris before final settlement signed.

ù U.S./CG continue to do everything to press for peace. Only parties can make it.

ù No set duration.

Peace Plan Implementation

ù NAC approved concept of ops for IFOR.

ù Detailed planning by NATO Military Authorities will proceed.

ù Joulwan briefed President and national security team last week on state of NATO'S plans.

ù Number of forces for operation not determined - will depend on peace agreement modalities.

ù NATO briefed UN, UN Peace Force contributors, and interested PFP countries this last week, contributions by non-NATO countries would be welcome.

ù Churkin attended "16-plus-one" with NAC last week to discuss NATO's planning.

ù Concept of ops 5 phases:

- Phase I: Preparation Phase. Presently in this phase now.

- Phase II: Entry. Begin after signing of peace agreement. Military forces would deploy to area by sea/land.

- Phase III: Implementation. Deployment of forces in country to secure critical areas and main

outposts.

- Phase IV: Transition to Peace. Initial robust forces slowly drawdown over year as peace agreement took affect.

- Phase V: Exit. Orderly hand over of commitments to appropriate civilian organizations and withdrawal of IFOR and equipment.

Congressional Approval

- ù Last week, letter to Byrd, President told Congress he would request endorsement at the appropriate time.

- ù Our position regarding President's constitutional prerogatives has not changed.

War Criminals

- ù IFOR mission is to implement the peace agreement.

- ù Pursuing war criminals not in mission, but will take into custody if come into contact.

Military Stabilization

- ù Our goal to establish stability on ground by time IFOR completes mission. One of the keys to ensuring settlement does not break down after IFOR leaves.

- ù Preference for balance of forces between Federation/Bosnian Serbs through arms control measures that provide for a "build-down."

- ù Arms control by itself unlikely to achieve stable balance, prepared to equip/train Federation forces to ensure effective self-defense capability.

- ù Effort separate from NATO-led implementation force. First step: lifting of arms e

mbargo.

New Ethnic Cleansing/Reports of Mass Graves

ù U.S. has/will continue to investigate and provide information to UN/War Crimes Tribunal regarding violations of international human rights and humanitarian law

Shattuck has documented evidence of Bosnian Serb atrocities. Last August, he went to Central/Northeastern Bosnia, collected eyewitness accounts of mass executions, beatings, rape and other violations of human rights and international humanitarian law. Shattuck just returned to region to interview refugees in Zenica.

ù Albright presented to UN Security Council compelling evidence gathered by US. Evidence based on US intelligence and photographic intelligence, strongly suggested mass grave sites in Srebrenica.

ù Actively support international organizations like UNHCR and Red Cross to document fate and whereabouts of missing persons.

IRELAND

U.S. Role

ù We are committed to working with the two governments and the parties to help in the search for peace.

ù Thankful there has been a year in which the guns and bombs are silent.

ù First time in a generation there is real hope for a lasting peace and a more prosperous future. People of Belfast are finally living a normal life.

ù One can literally say that there are individuals walking the streets in Belfast alive today who would not be had we not gotten involved. American engagement has been an essential ingredient in the search for peace.

U.S. Meetings

ù We have had a number of contacts over the last several weeks about how to move the peace process forward.

ù Sinn Fein President Gerry Adams recently met with National Security Advisor Anthony Lake. The Vice President joined them for part of the meeting.

ù The Vice President and Mr. Lake met with UK Minister of State for Northern Ireland Michael Ancram.

ù On September 29, the President saw Irish Deputy Prime Minister, Dick Spring, who was at the White House for a meeting with the Vice President.

ù The Deputy Assistant to the President for National Security Affairs, Nancy Soderberg, recently conducted a round of consultations with all parties in Ireland and the UK.

ù The National Security Advisor, Anthony Lake, held consultations in London with the British Government on Bosnia, Northern Ireland and other issues October 16-19. While there, he also met Northern Ireland political leaders, David Trimble of the UUP and John Hume of the SDLP..

ù We are hopeful a way can be found to move things forward. Contacts with all the parties are continuing.
We are not prepared to go into any detail.

NSA Lake's Trip to London

ù NSA Lake was in London week October 16-19. He was there for consultations with the British Government on Bosnia, Northern Ireland, the President's trip, and other issues. While there, he also met with Northern Ireland political leaders.

ù If asked: Mr. Lake was accompanied by Deputy NSA Nancy Soderberg and Director for European Affairs Mary Ann Peters.

Twin Track

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

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

British Stalling on Talks?

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

ù We believe Prime Minister Major is committed to achieving a lasting peace in North

ern Ireland.

Position on Decommissioning:

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

Senator Mitchell to Chair Commission on Decommissioning?:

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

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

Comments of new UUP leader Trimble on twin track?

ù Trimble's speech of October 21 represented no change in the unionist position of opposition to the twin track approach.

ù Our view is that twin track strategy of the British and Irish Governments offers the best prospect for moving the peace process forward.

ù Looking forward to working with Mr. Trimble as we have with the Unionists over the past year.

ù Looking forward to Mr. Trimble's visit to Washington next week.

(If asked):

ù Details of Trimble's schedule not yet finalized.

Paisley Visit

ù Paisley met with NSA Lake and VP Gore today.

Deportations

[Irish groups mounting a campaign against deportation of former IRA members, some who are married to U.S. citizens and/or have U.S. children. U.S. law provides no flexibility in prohibiting permanent residency to those linked to terrorism. We are looking into possible legislative waivers.]

ù Issue recently brought to our attention.

ù Law provides no flexibility on many cases.

ù Staff reviewing issue.

NATO ENLARGEMENT STUDY AND RUSSIA

Reaction to NATO enlargement study?

ù We welcome NATO approval on September 20 of its landmark study on enlarging the Alliance.

ù The study, which sets out the "how" and "why" of enlargement, was presented on Thursday (September 28) in Brussels to members of the Partnership for Peace (composed of CEE and NIS countries, including Russia). The general reaction was highly favorable.

ù Individual presentations will also be made to members who request them. NATO will assess the presentations and decide on next steps at its December 5 ministerial meeting in Brussels.

sels.

ù The study was commissioned by NATO Foreign Ministers meeting at NATO headquarters in December 1994.

ù The study is part of a gradual, deliberate process leading to the enlargement of the Alliance.

ù Our goal is to extend the security and stability represented by NATO into the new democracies that have arisen in Europe in the wake of the end of the Cold War.

ù By integrating them into NATO we hope to ensure the survival of their democratic and market economic reforms.

ù No decisions have yet been taken on whom to invite. Nor is there any timetable for when this will occur. Enlargement will only occur when NATO is satisfied that prospective members can contribute to the overall security of the Alliance.

ù The "how" part of the study sets out a number of steps that interested potential members must take in order to be considered for membership. These include political and military steps that contribute to the democratic goals and overall security of the Alliance.

ù We should stress that no Partnership for Peace members are a priori excluded from the possibility of becoming NATO members.

Russian Reaction to NATO Enlargement

ù In addition to enlargement, NATO is also pursuing establishment of a parallel relationship with Russia.

This is being done in recognition of the important role Russia has to play in Europe and security.

ù We are aware that Russia has concerns about NATO enlargement. Russian Ambassador Churkin repeated these concerns following the enlargement briefing in Brussels on Thursday (September 28). We will continue working to overcome these concerns, which we believe are misplaced.

ù NATO enlargement is not aimed at Russia. NATO is a purely defensive organization. Our goal is to extend stability to areas of historic instability to ensure their future security.

ù Our purpose is to end the division of Europe, not to create new divisions.

ù At the same time, we have made clear to Moscow that enlargement will proceed in a gradual and transparent manner.

ù We strongly disagree with those who believe NATO should enlarge immediately just because Russia has concerns about enlargement.

ù Enlargement must be a deliberate process that takes into account our interests as well as those of our European partners and Allies.

NATO Adopts Go-Slow Approach on Enlargement

Can you comment on press reports from Williamsburg that NATO has adopted a go-slow approach to enlargement due to concerns over Russia? Russian Foreign Minister Kozyrev even welcomed the reports.

ù As Secretary Perry has made clear, this is a false report. NATO has not adopted a go-slow approach to

enlargement but is pursuing the "gradual, deliberate and transparent process" leading to enlargement that was foreseen by the Alliance from the very beginning.

ù There has been no acceleration or deceleration to the process.

ù NATO's approach to enlargement is spelled out clearly in the NATO enlargement study which was approved by NATO on September 20 and presented to members of the Partnership for Peace in Brussels on September 28.

ù No timetable exists at present, but NATO is committed to moving ahead. NATO expansion is not a question of "if"; that issue has already been resolved.

RUSSIA/NIS

Current Items

Yeltsin Heart Problem

-- President Yeltsin hospitalized October 26 for heart trouble. Senior aides have said this episode similar to ischemic attack Yeltsin suffered last July and that Yeltsin will be under medical supervision through November.

-- President's thoughts with Yeltsin, as are our wishes for full and speedy recovery

-- Embassy Moscow has been in touch with Russian officials and conveyed President's get well

message today. What Embassy Moscow has heard about Yeltsin's condition tracks with what Russian officials are saying publicly.

(Impact on U.S.-Russian Relations)

-- Don't plan to speculate. Engagement and cooperative relationship in interests of both countries.

Kozyrev's Criticism of Yeltsin

-- Have seen report. Not appropriate to comment.

Cancellation of October 31 Moscow Meeting

-- Russians have canceled October 31 Yeltsin meeting with Izetbegovic, Tudjman and Milosevic due to Yeltsin's hospitalization.

-- Regret this meeting could not be held, but will go forward with proximity talks as scheduled on November 1. Russia will have senior representative in Dayton (Deputy Foreign Minister Ivanov).

-- Russians have helpfully supported Bosnia peace process. As was clear at Hyde Park, President and Yeltsin in full agreement on continuing support for process.

Russian Participation in IFOR

-- Presidents Clinton and Yeltsin agreed at Hyde Park on importance of Russian participation in Bosnia implementation force. They made some progress on specifics and agreed that Secretary Perry and Minister Grachev should continue to work this issue.

-- Perry and Grachev had good exchange on how Russian forces might participate on Oc

tober 26.

Partially narrowed gap between positions, but differences remain. Will continue discussion during October 27-28 travel to Ft. Riley to observe U.S.-Russia peacekeeping exercise and to Whiteman AFB to watch destruction of ICBM silo.

Hyde Park Meeting

-- Presidents Clinton and Yeltsin had warm, productive meeting at Hyde Park on October 23.

Meeting underscored stability, inner strength of U.S.-Russia partnership; reaffirmed both Presidents' strong commitment to engagement.

-- Presidents spent majority of time on Bosnia. Full agreement on need to support peace process, which enters new stage when proximity talks begin next week.

-- Presidents also agreed on importance and value of Russian participation in Bosnia implementation force. Had good exchange of views on how Russian forces could participate. Made some progress; discussed specifics on which they were in accord and decided that Secretary Perry and Defense Minister Grachev will meet very soon to discuss other points.

-- Presidents agreed to push hard for ratification of START II in both countries.

-- Presidents agreed to work together to get zero-yield Comprehensive Test Ban Treaty in 1996.

-- U.S.-Russian agreement on scope of CTBT's obligations (i.e., whether Treaty would ban all nuclear tests or set threshold under which nuclear tests would be allowed) represents

major breakthrough; helps clear way for completing Treaty by next spring so that it can be signed next fall.

Q: What "news" is there in Presidents Clinton and Yeltsin agreeing at Hyde Park to work together to succeed in getting a zero yield CTB next year? Didn't both Presidents agree long ago to work to achieve a CTB in 1996?

A: Yesterday's agreement by Presidents Clinton and Yeltsin to work together to succeed in getting a "zero yield" CTB next year represents a major breakthrough in the negotiations.

While both countries have been working to negotiate a CTB since January 1994, the key issue of the "scope" of the Treaty's obligations (i.e., whether the treaty would ban all nuclear tests or set a threshold under which nuclear tests would be allowed) has remained unresolved.

On August 11, President Clinton announced U.S. support for a "zero yield" CTB that would prohibit any nuclear weapons test explosion or any other nuclear explosion. Russia's agreement to this proposal, along with that of France and the United Kingdom, means that four of the five declared nuclear states -- along with almost all other states participating in the Geneva negotiations -- now agree on this key issue.

U.S., Russian, French and British agreement on "scope" will provide a significant boost to the negotiations and help clear the way for completing the treaty by next spring so that it can be signed next fall.

-- Presidents reaffirmed importance they attach to ensuring security of nuclear weapons and materials. Welcomed joint report prepared by Vice President Gore and Prime Minister Chernomyrdin outlining specific measures to strengthen security of nuclear materials and directed its speedy implementation.

-- Presidents agreed on overall concept for resolving CFE flank zone issue. Concept based on realignment of map of Treaty flank areas. Scope of realignment and other specifics must be worked out and agreed by all 30 CFE parties in Vienna. U.S. and NATO allies seeking agreement by November 17, when CFE limits take effect.

General Items

U.S. Stake in Relationship

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

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

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

Cuts in/Conditions on Bilateral Aid

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

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

Russian Concerns about NATO Enlargement

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

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

Iran Reactor Sale

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

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

Chechnya

-- Have seen reports that Russians will resume peace negotiations; cannot confirm yet. Do not expect recent changes in Russian team to affect negotiations. Welcome Prime Minister Chernomyrdin's recent reaffirmation of commitment to pursue negotiated settlement.

-- Talks were suspended over Chechen attacks, including attempt to assassinate Russian force commander in Grozny. Condemn attacks like that, whose purpose is to undermine the fragile effort to find negotiated settlement.

-- Dispute in Chechnya can only be resolved by negotiated settlement. Urge sides to work together to implement military agreement and to find political solution.

START II

Q: Is it true as reported today in the Washington Times that the Russian parliament is recommending major amendments to the START II Treaty?

A: The report referred to in today's Washington Times was a staff report prepared months ago for Duma Deputies prior to the first round of hearings in the Russian parliament on the START II Treaty.

As you all know, reports by legislative staff in advance of Committee hearings don't always accurately reflect the final outcome of the legislative process.

The Duma began formal hearings on START II in July, and those hearings are still on going.

At Hyde Park, President's Clinton and Yeltsin agreed that they would both push hard for the ratification of START II.

EXIMBANK AND IL YUSHIN AIRCRAFT

Background: Last year, Pratt & Whitney applied for Export-Import Bank financing to support the export of U.S. engines and avionics, valued at \$1 billion, for 20 Russian-made IL-96 aircraft to be purchased by Aeroflot Russian International Airlines (ARIA). Eximbank is examining the financial merits of Pratt's application. In addition, Eximbank asked the Administration for policy guidance on the impact of the IL-96 project on the broad commercial interests of the U.S.

Although this is not yet public, the Administration is considering whether to support Eximbank financing for this particular transaction in exchange for an agreement on the part of the Russian government to suspend tariffs and non-tariff barriers that currently impede the sale of U.S. aircraft to Russian airlines. This support would be highly exceptional and would not serve as a precedent for any future requests for support of component sales into Russia/CIS. Boeing and McDonnell Douglas would likely withdraw their opposition to the IL-96 project under such conditions.

Points

(If asked) What about reports that Eximbank's Board of Directors will convene soon to give a green light to Pratt

& Whitney and the IL-96 project?

-- As you know, the Gore-Chernomyrdin Commission has managed to secure billions of dollars of U.S. investment in Russia to the benefit of the U.S. and Russian economies.

-- We've also been very clear that U.S. investments must go hand in hand with actions by the Russians to open their markets to U.S. products.

-- On the particular issue of IL-96, Eximbank has asked the Administration for its policy guidance on the Pratt application. However, the Administration is still examining the issue and has not yet provided its guidance. We do not anticipate providing that guidance in the immediate future.

CONVENTIONAL ARMED FORCES IN EUROPE (CFE) TREATY

ù The United States and our NATO Allies have for some time been looking at ways to address Russian and Ukrainian concerns about the Treaty's "flank" limits.

ù Last [] month NATO presented a proposal to Russia in Brussels for a new approach to resolving this issue. Russia has reacted cautiously and will study the offer further.

ù The strategic picture has changed dramatically since the Treaty was signed in 1990. Neither the Warsaw Pact nor the Soviet Union exist. Forces once deployed by the USSR as far west as Eastern Germany have

withdrawn to Russia. We are looking at ways to respond to those changes, while maintaining the key elements of the Treaty.

ù NATO has developed this proposal as it prepares for the CFE Review Conference, established by the Treaty for May, 1996. Our goal is to preserve the viability of the Treaty, which remains a cornerstone of European security.

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

ù We and our Allies continue to reject completely the Russian idea of an "exclusion zone" in its Caucasus region. There is no basis for such an "exclusion zone" in the Treaty.

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

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

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

(If asked about President Yeltsin's comments on CFE at Hyde Park)

ù At Hyde Park, President Clinton and President Yeltsin did reach conceptual agree-

nt on how to approach a solution to the CFE Flank issue. While much work remains, this was a real step forward.

IRAQ SANCTIONS

Background: On October 17, President Zayid of the UAE called for the lifting of UN sanctions on Iraq. His remarks were quickly echoed by the Secretary General of the Arab League and the Qatari government.

Q: What is your reaction to recent demands from certain Arab leaders for the lifting of sanctions on Iraq?

A: We remain strongly opposed to any modification of the current sanctions against Iraq until it is in full compliance with all United Nations Security Council resolutions.

With regard to the humanitarian problems in Iraq, we are convinced that these are problems created by the Iraqi regime, and not by the sanctions.

The United Nations has made provisions by which Iraq could sell oil to buy food and medicine for its population, but the regime has refused to exercise this option.

The Iraqi regime has purposely refrained from providing its population with the food and medicine they need to try to score propaganda points.

THE WHITE HOUSE

Office of the Press Secretary
(New York, New York)

For Immediate Release October 24, 1995

STATEMENT BY THE PRESS SECRETARY

Both houses of Congress today passed by overwhelming margins bills that require the relocation of our Embassy in Israel to Jerusalem by 1999. The President opposed this legislation. He is convinced its passage at this sensitive time in the Israeli-Palestinian negotiations is a mistake.

The President said, "We have made more progress in less time on the Middle East peace process over the last two years than at any time in the history of the Arab-Israeli conflict. A step such as this could hinder the peace process. I will not let this happen, and will use the legislation's waiver authority to avoid damage to the peace process."

The President's personal views on Jerusalem are a matter of public record and have not changed. His record of friendship and support for Israel is clear and of long standing. But he remains convinced that it is unwise for the United States to take actions that could be interpreted as prejudicing sensitive matters, such as Jerusalem, that the parties themselves have agreed should be decided in final status talks.

The legislation passed this week contradicts that principle. As such, the President would not have hesitated

under different circumstances to veto it. But given the virtually unanimous votes by which these bills were adopted, exercising that option in this case would not alter the outcome; it would only prolong a divisive debate and risk further damage to the peace process.

The President will not, however, sign this legislation. To do so would be inconsistent with his pledge to take no action which would undermine a peace process that shows so much promise of creating a better future for Israel and its neighbors. Therefore, when the bills passed this week become law, the President will use their waiver provisions to prevent the legislation from adversely affecting the Middle East peace process.

The Clinton Administration will continue to be a strong and fair-minded partner in support of all those who take risks for peace. President Clinton will not allow the legislation passed this week to interfere with that role.
#

ALGERIA

Q: Any reaction to the upcoming Algerian presidential elections?

A: We have made clear our belief that Algeria's crisis can only be resolved through political dialogue between all elements who disavow violence and terror.

We hope that political developments, including elections, take place in a manner which contribute to this process of national reconciliation.

AMMAN ECONOMIC SUMMIT

Q: What is the significance of the Amman Economic Summit

A: The Summit is expected to greatly contribute to the economic integration of the region through the development of cross-national economic ties, and regional projects.

Economic prosperity will be an important aspect of peace in the Middle East and North Africa.

By facilitating this prosperity, the Summit will lay the economic foundations for a lasting peace.

Q: Where does the Middle East Development Bank (MEDB) stand? Are the Europeans opposed to the creation of the MEDB

A: The President strongly supports the creation of a soundly structured regional bank.

There is wide support for the MEDB from regional states and from key potential contributors such as Japan and members of the EU. Details remain to be worked out on some issues regarding the Bank's structure and operations.

ACCOMPLISHMENTS OF MEETING WITH PRESIDENT JIANG

ù Meeting facilitated mutual understanding of the importance of good U.S.-China relations -- not only for people

of both countries, but also for the region and the world.

ù Principal achievement was restoring the communication process between our two governments that had been sharply reduced by China following the Lee Teng-hui visit. Process essential to our policy of comprehensive engagement with China.

ù Restoration of open and honest dialogue on a number of important issues will enable us to work out differences, solve problems, find common ground, develop relations further in cooperative spirit. New dialogues on environment & sustainable development, regional and UN issues will offer new areas of cooperation.

ù Presidents agreed to meet to exchange views on bilateral issues more frequently, and to consider establishing a means of communicating by telephone as well. Next meeting at APEC/Osaka.

ù Discussed specific bilateral issues in detail, including trade, China's accession to World Trade Organization, Comprehensive Test Ban Treaty, nonproliferation, human rights, military-to-military exchanges, and Taiwan. Enhanced mutual understanding of each others' positions, agreed to work on problems through dialogue.

MEXICO

Background: In trading yesterday, the value of the peso fell 8 percent for a total decline this month of 15 percent from September levels. The peso is very near the level it reached last March when the stabilization package was finalized. Market jitters are attributed to a variety of factors, among them higher

than expected inflation in Mexico and the arrest of an EZLN rebel leader (the Mexican Attorney General has asked that charges against the suspect be dropped).

Points

ù We are encouraged by Mexico's success to date in implementing strong economic policies.

ù We have always been aware that the road back for Mexico would be a long one. During his visit here, President Zedillo reiterated his government's commitment to keep economic policies on track in order to get the job done. This is the key for Mexico's full recovery.

CUBA

HELMS BILL

Background

Helms' Cuba bill passed by a vote of 74-24 after Title III, its most controversial provision -- which would have opened our courts to lawsuits against anyone dealing with expropriated property in Cuba -- was withdrawn. The Administration still has some problems with the bill, but the decision to remove Title III is a step in the right direction.

Points

-- From the outset of the debate on the Helms/Burton bills, we made clear the Administration was determined to work with Congress so that the legislation on which our Cuba policy is based could continue to enjoy wide bipartisan support.

-- The action on the floor of the Senate will help to advance this goal. We look forward to cooperation with the Congress to address those aspects of the legislation that still concern us.

-- The objective of Administration policy remains to promote a peaceful democratic transition in Cuba through an effective economic embargo and effective support for the Cuban people.

CASTRO VISA APPLICATION

Background: President Castro was granted a visa to come to the U.S. as head of the Cuban delegation to the special session of the UNGA to commemorate the UN's 50th anniversary.

Points

ù President Castro applied for a visa on October 9 to attend the special session of the UNGA.

ù After careful consideration of his application in light of the United States' obligations under the United Nations headquarters agreement and in accordance with U.S. law, the State Department has decided to grant President Castro a visa.

ù Castro himself applied for and received visas in 1960 and 1979 to attend sessions of the General Assembly in New York.

CUBAN DEMOCRACY ACT

-- The President decided to take a series of steps to invigorate the Cuban Democracy Act's (CDA) goal of promoting a peaceful transition to democracy in Cuba.

-- These steps are consistent with the spirit and the letter of the CDA and implement precisely what it calls for: Use the embargo effectively to put pressure on the Castro government and help those people and forces in Cuba that are struggling for democratic change.

-- Nothing in these decisions reflects a weakening of our commitment to the embargo. On the contrary: Every element of the embargo remains in place and the means to enforce it will be strengthened. At the same time, this Administration will reenergize its efforts to reach out to the Cuban people through the free flow of ideas and information and by strengthening the island's fledgling civil society.

ENFORCING THE EMBARGO

-- The President has directed that the office in charge of enforcing the embargo, the Office of Foreign Assets Control be significantly beefed up, both here and in Miami.

-- The Attorney General is also reviewing how best to enforce the provisions of the embargo.

-- If we are serious about going after those who violate the embargo, then we ought to make sure that we have rules that can be complied with. Today, many Cuban-Americans circumvent the travel rules and go to Cuba without a license. They do not do it to flout the law or because the

y do not believe in the embargo. They do it because of the time it takes to get the license and because in many instances time is of the essence. Therefore, the President has decided to provide a general license for Cuban-Americans to make an annual visit to Cuba for humanitarian reasons. This will help those who really need to travel on an urgent basis. It will cut down on violations of the embargo. And it will make enforcement of the law fairer and easier.

REACHING OUT TO THE CUBAN PEOPLE

-- We share the CDA's commitment to promote democracy in Cuba through the power of ideas and by reaching out to the Cuban people.

-- Our other decisions are designed to strengthen those on the island who can be agents of change: Human rights activists, dissidents, independent organizations.

-- First, the President has authorized the establishment of reciprocal news bureaus in Cuba and the U.S. Of course, we will not approve Cuban bureaus until a full range of US news bureaus are granted entry to Cuba. This decision will significantly increase the flow of news to and from Cuba, thereby helping the Cuban people escape their state's monopoly over information.

-- Second, we will allow U.S. NGOs to help their counterparts in Cuba in a variety of ways.

-- US NGOs will be authorized to provide support to human rights organizations and other NGOs in Cuba.

-- The USG will be providing a grant to Freedom House to work with Cuban NGOs to advance the cause of democracy.

-- We will allow the sale and donation of communications equipment -- such as fax machines, copiers, computers, etc. -- to Cuban NGOs who promote democratic values and respect for human rights.

-- Third, travel regulations will be amended to clarify who can and cannot go to Cuba. Under these new regulations, transactions to finance tourist travel to Cuba remain prohibited. Like other elements of the embargo, this ban will be more strictly enforced than before. At the same time, the rules will make clear that travel for scientific, news-gathering, educational, cultural, religious purposes, or for the purpose of helping independent activities on the island, is permitted.

WESTERN UNION

-- Finally, the President has decided to authorize Western Union to set up offices here and in Cuba to send wire transfers more simply and at a lower cost to those who need to pay emigration fees or for family emergencies. The rules on remittances remain the same -- Western Union simply will make transfers easier and cheaper.

RUSSIAN CHEMICAL WEAPONS PROLIFERATION INVESTIGATION

Background: There have been press reports in recent days that Russian authorities a

re investigating the possibility that a former Russian General, Anatoli Kuntsevich, illegally provided chemical weapons materials to buyers in the Middle East. In a letter to the President this week, Senator Helms seized on the issue as a (new) justification for continuing to hold the Chemical Weapons Convention hostage.

Q: Do you have any further information on press reports that Russia is investigating the possible smuggling of chemical weapons materials by former General Kuntsevich?

A: We too have seen press reports about the investigation.

They indicate that Russian authorities are conducting a criminal investigation of the matter. Accordingly, it might be more appropriate to direct inquiries to the Russian Government on this.

Q: Is the U.S. assisting the investigation?

A: The smuggling of materials for weapons of mass destruction, whether nuclear, chemical or biological, is of vital concern to the U.S.

Press reports indicate that Russian law enforcement authorities are investigating the matter. If there is anything we can do to be of assistance, we obviously would be prepared to consider it.

Q: Is it true that the chemical materials were smuggled to the Middle East?

A: The Russian Government has this matter under investigation.

We do not know what the outcome of that investigation will be.

Q: Is it true that Senator Helms is holding the Chemical Weapons Convention hostage over this

issue?

A: Senator Helms has expressed concern over this issue.

We share those concerns.

That said, rather than being an argument against the CWC, this underscores why it is so important for the U.S. to ratify it quickly.

Q: How does the CWC help deal with problems such as this?

A: The CWC imposes a legally-binding prohibition on assisting others to acquire chemical weapons.

In addition, it requires Parties to monitor and report on transfers of the chemicals that can be used to make chemical weapons.

It also prohibits Parties from transferring to non-Parties key chemical weapons precursors.

The treaty also requires that Parties enact domestic legislation imposing real penalties on those who violate these or any other treaty obligations.

Perhaps most importantly, the treaty's routine and challenge inspection provisions will provide access to information that could reveal or even confirm a potential transfer problem.

In sum, if the CWC were in force today in Russia and other countries, it would be both more difficult and more costly for proliferators to carry out the activities for which Ku

ntsevich reportedly is
being investigated.

As the President has done on repeated occasions, we urge the Senate to move forward
with
ratification of this vital treaty.

CONGRESSIONAL CONFERENCE REPORT ON DEFENSE APPROPRIATIONS BILL

Background: On September 29, the House rejected by a wide margin the conference report on the FY 1996
Defense Appropriations Bill. As reported by the conferees, the bill would have provided for a \$243 billion defense
budget for next year -- \$6.7 billion more than requested by the Administration. The bill's defeat in the House was
attributable to a strong bloc of "pro-life" Members concerned by the watering down of the House-passed
provision in the bill on abortion and other Members opposed to the increase in spending for programs such as
the B-2 and National Missile Defense.

Points

- Committed to maintaining best trained, best equipped, most ready armed forces in the world.
- The Administration's budget protects readiness and ensures we are prepared to defend American interests.
- Although the conferees did remove objectionable policy provisions and other unacceptable restrictions on my prerogatives as Commander in Chief and they did fund several important programs

of priority interest to this Administration (e.g., Nunn-Lugar and TRP), I am very concerned by the inclusion of almost \$7 billion for procurement and R&D spending we did not request.

-- With the defeat of the Conference Report by the House, the bill now goes back to the conference to be reworked. As the conferees consider how to revise the bill to improve its prospects of ever being enacted into law, it is important that they understand that absent a broader agreement with Congress that provides adequate funding for crucial domestic programs that are underfunded in other appropriations bills, the President will veto any defense appropriations bill that adds extra billions for defense programs not in my request.

M S M a i l

DATE-TIME 30 October 95 18:13
FROM Fetig, James L.
CLASSIFICATION UNCLASSIFIED
SUBJECT Cretien Phone Call [UNCLASSIFIED]
TO Peters, Mary A.
CARBON_COPY NO CC's on THIS MESSAGE
TEXT_BODY

Mary Ann: Pls. call me at home if there is anything unusual or that I should know for the morning media dump beyond the attached. My home number

is P6/(b)(6) [002]

[[CANACALL.DOC : 4664 in CANACALL.DOC]]

ATTACHMENT
FILE DATE 30 October 95 17:53
ATTACHMENT
FILE NAME CANACALL.DOC

QUEBEC

CRETIEN PHONE CALL:

-- President Clinton talked by phone to Canadian Prime Minister Cretien about the outcome of the Quebec referendum at about 10:30 last night.

IF NO: During the call, the two leaders discussed how important the vote was for the people of Quebec and Canada. Specifically, the President expressed his admiration for a strong and united Canada and how much the United States looks forward to working together with Canada to develop an even stronger relationship in the future.

IF YES: During the call, the two leaders discussed the outcome of the referendum and

d agreed that it is premature to predict the final impact of the vote. The President assured PM Cretien that the United States would continue to consult closely with Ottawa as Canada works out its constitutional arrangements in the coming weeks and months.

U. S. POSITION ON THE QUEBEC REFERENDUM:

IF QUEBEC VOTES NO

A: The President has expressed his admiration for strong and united Canada. We look forward to a continuing close relationship with all Canadians in years to come.

IF QUEBEC VOTES YES

A: It is up to Canadians to work out their future constitutional arrangements. It will be some time before the meaning of the referendum for Canada is clear. It would be premature to speculate on its impact on the U.S.

RECOGNITION?

A: Since the Canadians have yet to work out their future constitutional arrangements, it is premature to consider the question of recognition of Quebec,

BORDER CROSSINGS?

A: Since this is a time of transition, nothing will change in the immediate future.

NAFTA?

A: This is one of many issues that will have to be analyzed in light of whatever constitutional, political and economic arrangements are made by Canadians in the wake of the referendum. Complicated legal issues are involved, and nothing is automatic. We have given no assurances to any party.

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Scott Blair to Anthony Lake re: Quebec referendum, October 30, 1995 (1 page)	10/27/1995	P5

COLLECTION:

Clinton Presidential Records
NSC Records Management
[Quebec and refer]
OA/Box Number: 611

FOLDER TITLE:

9507927

Jamie Mettrailer
2007-0302-F
jm625

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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

RR. Document will be reviewed upon request.

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

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

7927

PLEASE STAFF

OCT 27 1995

MEMORANDUM

SUBJECT: Quebec Referendum, October 30, 1995.

FROM: Scott Blair, Tel. (301) 869-1656. *S. Blair*TO: Anthony Lake, National Security Advisor
The White House

Mr. Lake, I am writing to you instead of the President in the hopes that this message may reach the inner circle of advisors to the President. Having worked on the White House staff back during the Carter administration, I know the indirect approach is the best, especially in light of the current Congressional budget brouhaha.

I write as an individual with close ties to Quebec, happens to be married to a Quebecoise (almost 20 years), and even lived for a couple of years in the Montreal area while working on my master's degree (1985-87).

To be succinct and to the point, I have been closely following the referendum debate in Quebec, and recommend that the President and the United States Government maintain a position of strict **neutrality** in the current referendum debate. I understand that this has traditionally (since the Ford administration) been the position of the U.S. Government with regard to Quebec.

The United States should **not** take sides in the referendum debate, particularly the Secretary of State and the U.S. ambassador to Canada. Taking a position in favor of a "non" vote may have the opposite effect intended, and tarnish our credibility with Quebecers. Let us respect the democratic process in Quebec, and maintain strict and objective neutrality until the vote is in. Thank you.

cc: Warren Christopher, U.S. Department of State
Prof. Guy LaChapelle, Concordia University, Montreal