Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. briefing paper	Meeting with Foreign Minister Watanabe, February 11, 1993 (2 pages)	02/10/1993	P1/b(1), P6/b(6)
001b. talking points	Points to be Made for Meeting with Foreign Minister Michio Watanabe (1 page)	ca. 02/10/1993	P1/b(1), P5
001c. report	U.S. Government Report (2 pages)	01/14/1993	P1/b(1), P6/b(6)
001d. cable	Letter from President William J. Clinton to Kiichi Miyazawa, Prime Minister of Japan (2 pages)	02/06/1993	P1/b(1)
002. paper	Public Affairs Strategy (5 pages)	05/27/1993	P5
003. paper	Proposed Public Affairs Strategy, draft (6 pages)	ca. 05/27/1993	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Press (Philip J. (PJ) Crowley)
OA/Box Number: 3105

FOLDER TITLE:

Japan [5]

Kelly Hendren
2011-0516-S
kh617

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)]

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5/27/93 11:00 am

Public Affairs Strategy
New Economic Framework with Japan

Proposed Scenario

The Japanese have seized the public affairs initiative on the Framework. They are portraying themselves as champions of free trade and the Clinton administration as the proponent of managed trade.

To successfully sell the Framework here at home, to the international community, and in Japan, we need to reassert our role as the chief architect and defender of the multilateral trading system. While stressing the singular importance of our bilateral relationship with Japan, we must stress that Japan now lies outside the international system. Careful to avoid labelling that will stiffen resistance in Tokyo, we must define the Framework publicly as a vehicle for working with the Japanese in a way that will spur world growth, open markets, and strengthen the multilateral trading system as a whole.

Working from a public relations "high ground," our strategy has the following objectives:

-- Ensuring that the administration conveys a single message, carefully calibrated for our critical audiences in Japan, the international community and here in the US;

-- Regaining the initiative by casting our Framework as an advance for the free trade, open market multilateral system -- thus countering an aggressive Japanese media strategy that attempts to portray the US as neo-protectionist;

-- Communicating our Framework clearly to all critical audiences so that we build support for our approach

  o among key domestic audiences (Congress, business, labor, policy/academic community, financial markets,

  o among potential allies in the Japanese audience,

  o among those in the international community who will help block Japanese efforts to rally world opinion to their view;

-- Answering effectively the key questions: How is this policy different from those of past administrations? How do we plan to measure results/performance in our trading relationships?

— Coordinated message
— Calibrated to audiences

Here is the proposed timeline for action June 1-6 and follow-up for discussions between now and the July summit:

Day -2 (Assume June 1 start)

-- Public Affairs working group finalizes calendars and schedules for adminitration presenters

-- Late p.m. invite media to following day's briefings

-- Final drafts circulate on a White House press kit to be used in connection with a Presidential announcement. Items include:

-- Statement by the President (Announcing that he is conveying the New Economic Framework via Ambassador to Japanese and articulating goals of US policy) for release to press
: NEC/NSC drafts, subject to discussions by Deputies on May 27 and 28

-- Fact Sheet on Framework (As detailed as possible outline of Framework with descriptive information for non-specialists) for release to press
: To be tasked by Deputies May 27

-- Talking Points for Briefers (Non-public tics for use by administration briefers reflecting consensus approach on key message points)
: To be tasked by Deputies May 27

-- Q & A's (Toughest and most likely questions and the agreed consensus answers reflecting policy)
: To be tasked by Deputies May 27

Spinning document.

Day -1 — ~~Wednesday~~

-- Final clearances on White House press kit by noon

-- Selective advance distribution of information (aka "leak") to New York Times, Washington Post, Wall Street Journal, Los Angeles Times, Journal of Commerce, Financial Times). We propose that these be divided up between Cutter, Spero, Altman, Summers, Hauser, and Barshefsky who will each contact one reporter a piece and by phone or in person run through the Framework orally and discuss key points plus preview our negotiating strategy with Japanese. Because of prior leak, our goal here is to try to get someone to put the article on the front page (instead of business page).

June 2

Announcement Day (project June 3)

-- White House release Announcement and Fact Sheet (daily briefing?)

-- Statements from Principals (Christopher, Bentsen, Kantor, Brown, others?) released in support of Framework and keyed on critical audiences. Individual agencies will decide whether these are in person or on paper.

-- White House Press Room Backgrounder: (participants: Cutter, Spero, Altman, Summers, USTR/Commerce?)
Open to White House press corps and invited trade/economic press including wires, newsmagazines, business journals and trade publications with White House access. STRESS WILL BE ON POSITIVE ECONOMIC BENEFITS FOR UNITED STATES. MESSAGE FOCUS ON DOMESTIC AUDIENCES.
: White House Press Office to coordinate, Don Steinberg lead

-- Foreign Press Center Backgrounder: (participants: Spero, Tarullo, possibly Win Lord/Tom Hubbard)
Open to all foreign press, special emphasis on Japanese press. STRESS WILL BE ON IMPORTANCE OF FRAMEWORK TO JAPAN AND MULTINATIONAL TRADING SYSTEM. MESSAGE FOCUS ON JAPANESE/FOREIGN AUDIENCES.
: State Dept PA Bureau working with USIA to coordinate, Mary Ellen Glynn lead

-- Worldnet Interactive Interviews: (participants: if Bentsen, Christopher, Kantor unavailble, some combination of Spero, Altman, Summers depending on schedules)
Aimed at Japanese television; other possibility is direct interviews by Japanese TV bureaus here in Washington.
: USIA lead

-- One-on-One Follow-Ups: Individual Deputies as schedule allows will follow up individually at discretion of each agency; for example, Business Week has requested a sit-down interview with Spero for this week

-- Critical Audience Outreach: Assistant Secretary level briefings will be conducted by each agency for key constituencies. For example, USTR will brief members of Advisory Committee on Trade; State and Treasury will coordinate briefings for BRT, ECAT, US-Japan Business Council, American Business Conference. Treasury will also contact the "Altman Dinner Group" guest list. White House will coordinate outreach to labor.

4

-- Tokyo Business Briefings: US Embassy Tokyo will contact key members of US business community in Japan and pursue other contacts. Embassy will also brief key business groups like Keidanren and the Keizai Doyukai and key Diet members.

: State lead

-- USIA Wireless File: White House Press Kit will be transmitted on wireless file and non-public talking points and Q&As by cable to selected posts in Asia and Europe.

: State/USIA lead

Day +1

-- "Rapid Response" distribution of materials to key opinion makers: columnists, academics, think-tanks, commentators

-- Business TV interviews: CNBC, CNN Money Report, perhaps US Chamber news feeds?

-- Place op-ed in key US outlet; place op-ed in Japanese press with Christopher/Bentsen joint by-line. Deputies to task US op-ed; State/Treasury joint lead on Japanese op-ed.

-- Coordinate Framework talking points for TV appearances by Cabinet principals. For example, Christopher is tentatively scheduled for morning shows late week of June 1 and a possible Meet the Press appearance on June 6, just prior to arrival of Japanese delegation. Individual agencies to coordinate.

Day +2-5

-- Public affairs group, working with Deputies, will develop and clear a White Paper that sets forth arguments for the Framework in a more detailed and rhetorical fashion. Package will include White House Press Kit and positive news clips/columns/editorials. Materials will be distributed to columnists, regional financial writers in US , and those who have speaking engagements scheduled around the country during early June.

: drafting and production needs to be tasked

-- State Department (PA:IGA intergovernmental, and PA:PL public liaison) will prepare list of upcoming regional business and and executive seminars and distribute materials to those scheduled to speak. Other agencies can coordinate with State or do likewise through their own intergovernmental or public liaison functions.

-- Public affairs working group will monitor media activities by Japanese delegation upon arrival and arrange spin/counter-spin sessions as warranted. Early morning strategy conference call will be held morning of June 7 and a second session following first day of negotiations.

-- Ambassador Armacost is scheduled for major address to Foreign Correspondents Club of Tokyo on June 12. State will coordinate up-to-date talking points for maximum impact.

Day +5-10

-- Formal meeting of public affairs group and congressional relations team to prioritize outreach to local media markets and to plan follow-on activity.

-- Preparations begin for second negotiating sessions in Japan.

-- Link-up public affairs effort with the White House G-7 summit planning team.

Proposed Public Affairs Strategy
New Economic Framework with Japan

The Japanese have seized the public affairs initiative on the Framework. They are portraying themselves as champions of free trade and the Clinton administration as the proponent of managed trade. To successfully sell the Framework in Japan, to the international community and at home, we need to act now to reassert our role as the chief architect and defender of the multilateral trading system; to identify Japan as the outlier; and to introduce the Framework as a vehicle in which we will engage Japan bilaterally to take steps which will strengthen the international system as a whole. This paper proposes a public affairs strategy to do so over the immediate term. Aggressive follow-up throughout the period leading up to the Summit will be necessary.

I. PROPOSED PRESS STRATEGY

A. Objectives

-- Ensure that the administration speaks with one voice.

-- Regain the public affairs initiative by articulating the role of the U.S. as chief architect and champion of the global free trade system, countering an aggressive Japanese media strategy that casts the new U.S. administration as neo-protectionist.

-- Identify Japan as the outlier in the international system, while avoiding labelling that will stiffen resistance in Tokyo.

-- Define the Framework publicly as a vehicle in which we will work with the Japanese to take steps which will spur world growth, open markets and strengthen the multilateral trading system as a whole.

-- Communicate our policy goals to key U.S. audiences (Congress, labor, business, policy and financial community) in a manner that builds support for our negotiating strategy.

-- Communicate our goals in Japan in manner which builds support from key allies in Japan and challenges vested interests that oppose change.

-- Communicate our goals to the international community in a manner which ensures at a minimum neutrality -- blocking Japanese efforts to rally international support against us -- and ideally wins endorsement of our effort.

-- Communicate the difference in the policy of the Clinton administration compared to that of prior administrations: specifically, our resolve to obtain action on the U.S. agenda and our focus on progress and results, not process, in advancing competition in an open market, free trade environment.

Time line

Emphasize

B. Press Briefings

We propose an initial series of background briefings for print press and Worldnet television interviews with select Japanese electronic media to begin as soon as the President has approved the Framework. These contacts should intensify with our transmittal of the proposal to the Japanese through our Ambassadors and in the period preceding our first meeting with the Japanese. Scenario:

differentiated approach

- Backgrounder for key print press immediately upon Presidential approval of the Framework approach. (New York Times, Financial Times, Wall Street Journal, Journal of Commerce, Washington Post, Los Angeles Times)

White House statement at beginning

- White House statement on New Economic Framework issued as we transmit the proposal to the Japanese through our Ambassadors.

- Concurrent backgrounder for wires/newsmagazines, Japanese and ~~other~~ international press.

  (Briefing One: To include Reuters, Associated Press, ~~UPI~~, Dow Jones, ~~AFX, AFP, Newsweek, Time~~, U.S. News, Business Week, CQ, Economist, selected trade publications)

Talk Shows

  (Briefing Two: Japanese press, including Yomiuri, Sankei Shimbun, Nikkei, Jiji Press, Kyodo, Tokyo Shimbun, Nikkei Weekly, Asahi, USIA and other international press, such as FAZ, the Financial Times, Le Monde. etc. Held at Foreign Press Center.)

Sectors of concern to Them

- Worldnet interviews with Japanese TV when proposal is conveyed.

Japanese going

get our friends

Washington 7/8 OR 9

-- White House statement and fact sheet on the Framework conveyed through Embassies to local press contacts.

-- Op-Ed piece in Japanese, U.S. and possibly European publications timed just prior to first meeting with Japanese.

C. Follow-Up

We will need intensive follow up with both U.S. and foreign press through the period leading up to the Summit, to include additional op-ed pieces, regular contacts with key columnists and additonal backgrounders timed to coincide with meetings with the Japanese.

D. Briefers ~~NSC?~~

"Senior Adminstration Officials": Cutter, Spero, Altman, Summers, USTR representative (Barshefsky unconfirmed, Shapiro?).

June 7 here
June 17

July 5/6

Embarrassing

II. PROPOSED PUBLIC RELATIONS STRATEGY

We need to supplement our efforts with the press by taking our message to those whom the press will contact: key opinion leaders on Japan policy in the U.S. and Japanese business communities, think-tanks and academia. Options include personal phone calls by Administration officials to key contacts; developing a White Paper for circulation to key opinion leaders, academics and columnists in both the U.S. and Japan; presenting our policy to U.S. and foreign audiences at business-oriented seminars and conferences; deploying Administration officials on the speaking circuit to articulate our policy.

We propose that an interagency public affairs working group be established immediately to finalize a program of intensive follow-up to get the message out in the period leading up to the G-7 Summit.

Why not managed trade?

PRX Bob

Principals meeting

Speak with one voice

Fin Fast analysis

June 1993

NSC/NEC
State
Treasury

Measures
Managed consistently over time

U.S. Japan
New Economic Framework

The Context

Any mature relationships

— Competitive
— Getting our house in order
— Macro + basket together
— High level

At their meeting in Washington in April, President Clinton and Prime Minister Miyazawa agreed that to meet the needs of a new era, we need to build a new partnership -- one based on mutual respect and responsibility, and on a longer term vision of the global role played by our two nations.

As the President explained in April, we see the partnership founded on three pillars: our security alliance, our economic partnership and our cooperative efforts to address global issues.

Each is essential. Each must serve our mutual self interests. Each needs to reflect an equitable balance of benefits and responsibilities.

Export Activism

Our security relationship is strong. It has been an anchor of Pacific stability for two generations. It remains fundamental to both of our interests. Similarly, we share great potential to cooperate on a broad range of critical transnational issues.

The economic pillar of the relationship, however, urgently needs attention.

The President and the Prime Minister therefore agreed to develop a plan to address, in a concrete fashion, our economic agenda. They also agreed to meet twice yearly, to personally review progress on economic and other aspects of the relationship.

Thurs: 1:30 - 3:00

A central U.S. objective in this effort is to work with Japan to strengthen the world trading system -- by promoting growth, open markets and free trade. The U.S. has pursued these objectives aggressively, and with unprecedented success, throughout the post-war period.

Fri 1:30 - 3:00

The Problem

Japan poses two problems for the world economy: a current account imbalance problem and a market penetration problem.

— Global strategic relationship

Japan's large, sustained global surpluses threaten the system:

The current account surplus -- with not just one country, but spread across North America, Europe and Asia -- is a drag on world growth. It is politically unsustainable.

Limited access to Japan's market threatens the system:

Carla Hills

Japan has the lowest level of foreign direct investment among the OECD countries. This limits trade: without a presence in Japan, foreign firms have great difficulty penetrating the distribution system, providing after sale service and selling in the Japanese market.

Japan imports far fewer manufactured goods measured as a percentage of GDP than other industrialized countries.

Japan imports few of the types of goods it exports, in sharp contrast to the practice of other OECD countries.

The Solution: The Framework

o Resolving these problems requires a two-part effort: macroeconomic policies directed at the external imbalances and microeconomic policies directed at import penetration, like two blades of a scissors.

o To tackle them, we ask Japan to work with us to define a new economic partnership based on an explicit understanding that the U.S. and Japan -- the world's two largest trading nations, accounting for more than 40 percent of world GNP -- have the potential and the responsibility to drive world growth and forge a vibrant world trading system.

o To this end, our proposed "Framework for a New Economic Partnership" includes a macroeconomic dialogue, conducted through the G-7 process and our central banks, and negotiations on structural and sectoral issues that impede access to the Japanese market.

o Principles guiding U.S. efforts in Framework negotiations include:

MFN. The U.S. is not seeking bilateral advantage, sweetheart deals or "managed trade."

Focus. We will concentrate on issues which it is within the Government of Japan's ability to correct, such as opening of government procurement procedures, reform of excessive and opaque regulation, enforcement of anti-trust, building on progress in previous accords.

Competitiveness. We will focus on areas such as financial services and telecommunications in which the U.S. should be highly competitive in an open Japanese market.

Cooperation. We will explore areas in which we can increase, to our mutual benefit, our economic integration -- investment, technology, business to business relationships.

Results. We will focus on tangible progress, not changes in process. And, we will seek progress within a specified timeframe, corresponding to the twice annual meetings between President Clinton and Prime Minister Miyazawa.

We need to be able to define a successful outcome.

But, no one indicator is sufficient: we need multiple benchmarks.

We hope we will be able to agree mutually on multiple indicators.

(If pressed) In the absence of agreement, we will establish multiple benchmarks for our own use in evaluatng progress.

- On the macro side, we will define progress in terms of a substantial decline in Japan's current account surplus as a percentage of GNP, and a substantial increase in access to the Japanese market for imports of manufactured goods.

- The USG, in turn, is forcefully addressing the domestic economic agenda, including efforts to lower the budget deficit.

Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Don Steinberg to Leon Fuerth and Marla Romash re: Public Affairs (2 pages)	08/27/1993	P5
002a. briefing paper	Meeting with Senate Leaders, March 26, 1993 (2 pages)	03/25/1993	P1/b(1), P5
002b. talking points	Points to be Made for Meeting with Senate Leaders (3 pages)	ca. 03/25/1993	P1/b(1), P5
003a. briefing paper	Meeting with Congressional Leaders, March 25, 1993 (2 pages)	03/25/1993	P1/b(1), P5
003b. talking points	Points to be Made for Meeting with House Leaders (3 pages)	ca. 03/25/1993	P1/b(1), P5
004a. briefing paper	Meeting with Russian Foreign Minister Andrei Kozyrev, May 21, 1993 (2 pages)	05/20/1993	P1/b(1), P5
004b. memo	Warren Christopher to President William J. Clinton re: Note (1 page)	05/20/1993	P1/b(1)
005. talking points	Talking Points for Under Secretary Davis's Use with Key Senators and Congressmen (2 pages)	ca. 06/17/1993	P1/b(1), P5
006. notes	Handwritten Notes from Small Group Meeting (1 page)	n.d.	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Press (Philip J. (PJ) Crowley)
OA/Box Number: 3106

FOLDER TITLE:

Russia [5]

Kelly Hendren
2011-0516-S
kh638

RESTRICTION CODES

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

- P1 National Security Classified Information [(a)(1) of the PRA]
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THE WHITE HOUSE

WASHINGTON

August 27, 1993

TO: Leon Fuerth/Marla Romash, Office of the Vice President

FROM: Don Steinberg

SUBJ: Thoughts on Public Affairs on Chernomyrdin Visit

I appreciated the chance to discuss the public affairs aspects of Russian Prime Minister Chernomyrdin's visit. While this visit will not have the mass interest of a head of state summit, there are obvious benefits to a high profile for the visit. Per your request, I offer a few thoughts and suggestions, including specific activities that should surround the visit.

In terms of the themes for our public affairs contacts, the talking points you have developed are solid, and can be fine-tuned on Monday, as the parameters of the meetings become more clear. As a general thought, it is essential to stress both the advantages to American workers and businesses of the agreements themselves <u>and</u> the importance of expanded US-Russian cooperation to assist Russia's historic transition to democracy and markets.

On the first point, it is essential to point out why space cooperation, Russian nuclear safety, opening Russian markets for trade and investment, and enhancing Russian energy conservation and exploitation are good for our country. You are aware that there is already a perception in the press that we committed to the Russians at the July non-proliferation talks to compensate them for their concessions on their Indian rocket deal. It will badly undercut our non-proliferation efforts worldwide if there is the impression that we had to buy-off the Russians. I am no expert on the politics of the space program, but it would also seem that in the wake of the failure of the Saturn probe and the explosion of the CIA satellite, there may be a growing skepticism in Congress about funding any project, much less one perceived as driven by factors other than science or security.

On the question of nuclear safety, it is perhaps enough to call attention to the threat of another Chernobyl.

It's also important to use Chernomyrdin's visit to reiterate the importance the Administration attaches to Russian reform. Our stalwart support of this reform process has been one of our most important foreign policy successes so far, and we should use this visit to stress the importance of continued reform. Nick Burns and company have done outstanding talking points on the importance of opening up a market of 300 million consumers for American workers and businesses; of reducing the security and allowing us to make continued cuts in defense spending; and enhancing cooperation on key global issues.

In terms of specific events, we should use this visit for as much as the market will bear. While there's limited time now and the scope of agreements to be reached during the visit is still unclear, I'd suggest the following activities. My office is prepared to organize whatever activities you'd like. We should also sit down with media gurus Steve Rabinowitz and Anne Edwards to get their impressions.

Public Affairs Activities to Support Chernomyrdin Visit

1. A pre-visit background briefing for key U.S. journalists, best on Tuesday afternoon. Either a session with senior officials from the Vice President's office and USG agencies (assistant secretary level) in the White House Press Room or a smaller, invitation-only briefing for select journalists in the OEOB. The latter formula is preferable in explaining complex issues to a specialized set of reporters, but runs the risk of upsetting journalists excluded from the session.

2. A similar briefing for Russian and other foreign journalists at the Foreign Press Center.

3. Preparation of op-ed pieces by Administration officials (Vice President, senior NASA officials, secretary of energy or commerce), supportive members of Congress and/or think-tankers/academics to appear during the Chernomyrdin visit or shortly thereafter.

4. Appearances of Administration officials on news shows (MacNeil-Lehrer, morning shows, NPR) to discuss the visit, probably on Wednesday.

5. During the visit, as much press coverage as possible, such as press pool sprays at the start of key meetings, such as the first plenary session, the plenaries on space and energy cooperation, and the meeting with President Clinton.

6. Timing of the Thursday signing session and press conference to allow coverage on Russian television.

7. A background or on-the-record briefing on Thursday afternoon in the White House Press Room on the results of the meeting, and a similar briefing on Thursday afternoon or Friday morning for Russian and other foreign media at the Foreign Press Center.

8. A USIA Worldnet with a senior Administration official for broadcast in Russia on the results of the meeting.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	DOB (Partial) (1 page)	04/19/1994	P6/b(6)
002. fax	DOB (Partial) (1 page)	ca. 10/1993	P6/b(6)
003. fax	DOB (Partial) (1 page)	ca. 01/1993	P6/b(6)
004. fax	DOB (Partial) (1 page)	04/20/1994	P6/b(6)
005. paper	A Review of Recent Events in South Africa [partial] (1 page)	ca. 04/20/1994	P5

COLLECTION:

Clinton Presidential Records
National Security Council
Press (Philip J. (PJ) Crowley)
OA/Box Number: 3106

FOLDER TITLE:

South Africa [1]

Kelly Hendren
2011-0516-S
kh644

RESTRICTION CODES

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

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A REVIEW OF RECENT EVENTS IN SOUTH AFRICA

The Road to Non-Racial Democracy: South Africa's historic transition from apartheid to non-racial democracy will take a major step forward with the holding of the nation's first non-racial elections next week, April 26-28. The elections take place more than four years after the release of Nelson Mandela from prison in February 1990. It has been a difficult transition. More than 15,000 deaths have occurred in political violence since Mandela's release, including tragic mass killings at Bisho, Boipatong and late last month in Johannesburg. It is also a transition marked by great courage and compromise, for which Nelson Mandela and F.W. de Klerk justly earned their Nobel Peace Prizes.

Much of the pre-election violence has been related to the demands by Chief Buthelezi's Inkatha Freedom Party for reserved rights for the Zulu people. A major stumbling block was removed on Tuesday when Mandela, Buthelezi and de Klerk agreed that Inkatha would participate in the elections and renounce violence in exchange for constitutional assurances on the role of the Zulu king. This was a major act of statesmanship worthy of praise. You wrote to the three leaders on Tuesday to congratulate them on their agreement. If all parties live up to their commitments, there is now every prospect that the elections will take place throughout the country in relative peace.

Elections: At the Federal level, all parties have agreed that there will be a Government of National Unity in place for five years following the election, with any party winning at least 5 percent of the vote having the right to participate in the Cabinet. The results of the election are not in doubt. It is assumed the ANC will win between 55 and 65 percent of the vote, and that Nelson Mandela will therefore be elected on May 6 by Parliament to become the first president of a non-racial South Africa. (You should, however, avoid saying anything to suggest we assume Mandela will win.) The National Party under F.W. de Klerk is expected to draw about 20 percent, thus making de Klerk vice president. Other parties expected to be at about the 5 percent mark are the leftist Pan Africanist Congress, the right-white Freedom Front, the Inkatha Freedom Party and the liberal Democratic Party.

There are also elections for 9 governors ("premiers") and legislatures for States. The ANC is expected to win almost all of these, although the race in the Cape Town region will be close. A major ANC concession during the negotiation process was the devolution of substantial powers to the regions under the new constitution.

You have asked Reverend Jesse Jackson to head a delegation of election observers for the April 26-28 polling. Also on the

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. memo	Breakfast with Members of Congress (4 pages)	04/13/1994	P5
001b. talking points	re: Congressional Meeting on Resources/Peacekeeping (2 pages)	ca. 04/13/1994	P5
001c. paper	The Resource Crisis in Foreign Affairs and Peacekeeping (6 pages)	ca. 04/13/1994	P5

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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]
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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]

NSC PRESS

2836

THE WHITE HOUSE

WASHINGTON

April 13, 1994

BREAKFAST WITH MEMBERS OF CONGRESS

DATE: April 14, 1994
LOCATION: State Dining Room
TIME: 8:00 am - 9:00 am

FROM: ANTHONY LAKE

I. PURPOSE

To gain agreement that we will solve the peacekeeping funding crisis soon; and to mention other funding requirements of our international leadership.

You will have a second meeting with the key defense legislators in order to stress these points with an emphasis on the defense budget and the DOD aspects of our "shared responsibility" plan for peacekeeping funding and management.

II. BACKGROUND

The general theme of this meeting is that we need to fully fund the national security programs that allow us to exercise leadership in a world that is still beset by a constellation of small wars and other threats to peace and international economic prosperity. Those programs are defense, foreign assistance, the Multilateral Development Banks, and UN peacekeeping.

You will want to spend most of the presentation on your opposition to Exon-Grassley and your desire to solve the peacekeeping funding problem (you should move to peacekeeping in time to allow a thorough discussion on this). The meeting should seek agreement to solve the UN peacekeeping funding problem quickly. Your remarks on peacekeeping should stress three points:

-- A brief explanation of why peacekeeping is in our interest: it contains or stops wars that could spread and involve us later at greater cost; it promotes democracy and human rights; it is real burdensharing;

-- An explanation of your FY95 budget proposal, with "Shared Responsibility" for UN peacekeeping between DOD and State; and a call for fully funding those FY95 requirements;

-- A pitch to solve the FY94 arrearages for UN peacekeeping that will total over $1 billion by the end of our FY94, including a suggestion of an Emergency funding and a request that they help us develop a specific solution soon.

The Congressional mood on this issue is mixed. There is limited support for the idea of an Emergency Supplemental. Here is a summary of Congressional attitude as gleaned from staff and some Members on Tuesday:

-- Generally, our extensive consultations on the Peacekeeping Reform review (PRD-13) have increased comfort levels on our peacekeeping policy. However, we are still swimming upstream on funding issues.

-- There is a significant amount of Republican and conservative Democratic opposition to the "Shared Responsibility" concept of creating a new account at DoD to fund a portion of peacekeeping assessments.

-- There are some encouraging signs that some key members want to help solve the arrearages problem: e.g., staff for Byrd and Dole have said their bosses understand the arrearages problem needs to be solved and that these are treaty obligation debts. Staff for Hollings and Domenici (chair and ranking GOP of the relevant appropriations subcommittee) have advocated an emergency supplemental, although this partly reflects jurisdictional interests.

-- Overall, however, there is substantial resistance to the idea of a supplemental appropriation this year to cover our peacekeeping arrearages. Yesterday Byrd told his staff that he would not support any FY94 supplemental for peacekeeping -- according to staff, he said it would be "flypaper for Republican politics." At most, he could support a budget amendment to our FY95 request that increases the amount for peacekeeping assessments, either with emergency (non-offset, deficit-increasing) or offset funds. He also talked about this with Rep. Obey, who reportedly agreed with him.

-- Speaker Foley has told his staff he does not think this is a good time to be proposing a supplemental for peacekeeping, especially an emergency supplemental that would increase the deficit, given that we are in the middle of an effort to defeat the Exon-Grassley deficit-reducing cuts to the budget resolution.

-- Therefore, the tone of your argument should be that a) this is a problem we need to solve; b) I am willing to mount a full-scale effort to solve the problem, including emergency funds; c) I can only solve it if you (congressional leaders) work with me on it, and I need a sense from you about what solutions will work substantively and politically and d) I am asking my National Security team to work out a proposal with you that I can submit shortly.

-- As the attached background paper states, there are several possible ways to solve the FY 94 arrearages problem:

A) An Emergency Supplemental - $1.08 billion in FY 94 without offsetting rescissions;

B) A Partial Emergency Supplemental - with the full repayment provided over three years, the FY94 emergency supplemental portion would be $600 million. The remaining funds would come from within the State and DOD budgets distributed across FY94-96;

C) A "Head Room" Supplemental - use the $600 million of outlays in the overall FY 1994 appropriations cap that were not actually appropriated. The remaining funds would come from within the State and DOD budgets distributed across FY94-96;

D) A Fully Offset Supplemental - again with three year repayment with contributions by State and DOD in each of the fiscal years (FY94-96); and

E) Budget Amendment for FY 95 - increase our request for FY 95 peacekeeping funds -- either through offsets to other accounts, or by adding "emergency" (un-offset) funds to the FY 95 appropriation. The problem with this approach is that the funds will not be available until October at the earliest, which may be too late to avert a cash flow crisis at the UN.

-- One other idea has been proposed, particularly by Rep. Hamilton. His FY 94 State Authorization bill currently is in conference. He has proposed adding an authorization for a $670 million supplemental for arrearages (the amount you originally proposed in this year's budget). He correctly argues that approval of an authorization could generate some momentum and encourage the appropriators. He has asked for a letter from you supporting this idea. We are working with his staff to ensure that the Republicans do not place onerous conditions on the authorization. While we may ultimately agree with this approach, you should not commit at this meeting.

III. PARTICIPANTS

The President
Secretary Warren Christopher
Secretary William Perry
Ambassador Madeleine Albright
Brian Atwood
Anthony Lake
Robert Rubin
Patrick Griffin
David Gergen
Mack McLarty

Douglas Sosnik
George Stephanopoulos
Leon Panetta
Bo Cutter
Samuel Berger
Jeremy Rosner
Richard Clarke
Wendy Sherman
Senator George Mitchell
Senator Robert Byrd
Senator Mark Hatfield
Senator Pete Domenici
Senator Patrick Leahy
Senator Mitch McConnell
Senator Claiborne Pell
Senator John Kerry - ?
Senator Larry Pressler - ?
Representative Thomas Foley
Representative Robert Michel
Representative Richard Gephardt
Representative David Bonior
Representative David Obey
Representative Neal Smith
Representative Harold Rogers
Representative Alan Mollohan
Representative Robert Livingston
Representative Lee Hamilton
Representative Benjamin Gilman
Representative Howard Berman - ?
Representative Olympia Snowe - ?

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE

You will introduce the subject with a fairly extensive presentation and then ask for the Members' reaction and their ideas about how to solve the peacekeeping funding problem.

You will end the meeting by reiterating that your National Security team and Leon Panetta will work with the Members and report back on a proposal you can submit shortly.

Attachments
Tab A Talking Points
Tab B Background Paper on The Resource Crisis in Foreign Affairs and Peacekeeping
Tab C Polling Data on Peacekeeping

Talking Points: Congressional Meeting on Resources/Peacekeeping

-- <u>US Leadership</u>. I want to discuss America's leadership in the world. End of the Cold War enabled us to cut defense, foreign affairs budgets; now we risk cutting too much.

-- We are on the razor's edge of a <u>resources crisis</u>: in our military; our foreign assistance programs; the multilateral development banks; and peacekeeping.

-- We must head off this crisis; this remains an <u>unruly world</u>; US leadership remains essential, as we have just seen:
- <u>Bosnia</u>. NATO air strikes having an impact.
- <u>Rwanda</u>. Successful evacuation.
- <u>Mideast</u>. Need funds for Israel, Egypt, territories.

-- <u>First, Defense.</u> We've cut enough. Need adequate funds for:
- Readiness.
- Force Structure.
- Modernization, which translates into US jobs.

Very concerned about Exon-Grassley. Threatens Bottom-Up Review force structure and modernization, which could hurt defense and cost jobs. Conferees should adopt House figures to the extent possible.

-- <u>Second, Foreign Assistance</u>. Foreign Assistance is our non-military muscle. Need to reform the Foreign Assistance Act. Need adequate funds for:

- Bilateral aid: <u>Example: S. Africa</u> is prime opportunity to promote democracy, with resonance here and abroad; but will have to fund from other African priorities
- Multilateral: <u>Example: MDBs</u> -- are deeply in arrears; limits our influence in the institutions; MDBs develop strong markets for American exports. Need to fund these programs at FY 95 request level.

-- <u>Third, Peacekeeping</u>. I want to talk in some detail about one of the most difficult resources issues: peacekeeping.

-- Peacekeeping is <u>not centerpiece</u> of our foreign policy. But can be an effective tool that <u>serves our national interests</u>:
- Promotes democracy: Cambodia, Namibia.
- Limits conflicts: Macedonia, Golan, Cyprus.
- Monitors human rights: El Salvador.
- Relieves suffering: Somalia.
- Peacekeeping is burdensharing: U.S. now provides less than 1% of troops and pays less than 1/3 of costs.

-- <u>Reform needed</u>. We just finished peacekeeping reform policy review. My thanks to many of you and your staffs for participation and contributions. We will:
- Lower the UN assessment rate to 25%.
- Establish real IG at the UN.
- Ask tough cost/effectiveness questions before voting.
- Reduce the costs.
- Reform the UN's peacekeeping capability.

[IF ASKED: We do not plan to release a draft of the PDD to Members; we will release unclassified version once signed.]

-- <u>Funding reform</u>. We have a plan to solve the long-term peacekeeping funding problem: <u>Shared Responsibility</u>.

- DoD will assume a limited amount of the costs for peacekeeping: for missions with US combat units or enforcement (UN Chapter 7) missions without US troops. DoD and JCS support the plan.

- This approach improves US oversight of peacekeeping; ensures we do not have recurring arrearages.

- Need you to enact and fund shared responsibility.

-- <u>Arrearages</u>: still left with this immediate problem.

- By the end of fiscal year: arrearage <u>over $1 billion</u>.

- In part, due to higher-than-expected costs for Bosnia, Somalia and other operations.

- In part, funds I requested were not appropriated.

-- <u>Need to solve</u>. We must find a way to fund these arrearages:

- These bills are <u>US treaty obligations</u>.

- The UN's inability to pay troop-contributors is <u>hurting our efforts in Bosnia, Somalia and elsewhere</u>.

- Arrears <u>hurt DoD</u>: we are not getting reimbursement for support DoD has provided to peacekeeping in the past.

- They make it <u>harder to pursue UN reforms</u>, such as lowering our assessment rate.

- Key operations like those on the Golan Heights and in Cyprus could be affected.

-- <u>Committed to solve</u>. I am prepared to mount a full-scale effort to get these arrearages cleared up soon.

- **My preference is to work with you to obtain <u>emergency funding</u> for the arrearages.**

- I want a plan that will tackle the entire problem, rather than to take only one bite out of it.

- I know there are other options as well. I'm <u>open to your ideas</u> about how to solve this problem. But we have to solve this problem somehow and do so soon.

- We also <u>need a solution with bipartisan support</u>. It is too easy to make this a political football.

- We can't reach a detailed agreement right now, but I'd like to hear your ideas on how to solve this problem. <u>I want my staff to work with you</u> to find a solution.

The Resource Crisis in Foreign Affairs and Peacekeeping

Although we are the only remaining superpower, our influence is seriously constrained in many areas due to our decreasing international and defense resources. In addition to efforts to cut the overall budget, the crisis is most acute in UN peacekeeping, where Congress has repeatedly rejected our efforts to pay what will soon exceed a $1 billion debt for FY94 alone. This meeting is intended to focus on four points:

o Exon-Grassley: How can we ensure that Exon-Grassley is defeated?

o Peacekeeping Policy: Can we finalize the Presidential Review on Peacekeeping Reform (PRD-13), and can we obtain the funds to pay the current year debts of over $1 billion?

o Foreign Assistance: How do we pass the Administration's rewrite of the Foreign Assistance Act, and how do we ensure adequate funding for its programs?

o Multilateral Development Banks: How do we obtain from the Congress the $2 billion budget request for FY95 to meet pledged payments for next year and start reducing arrears?

* * *

1. Exon-Grassley: The FY95 budget resolution is now headed to conference. As a result of an Exon-Grassley amendment, the Senate resolution imposed unallocated cuts on discretionary spending that would require $18.9 billion in outlay cuts over FY95-FY99, relative to the House Budget Resolution. Assuming a significant share of these cuts were allocated to Defense, the Senate resolution would make it virtually impossible to fund adequately the force structure envisioned in the Bottom Up Review. It would also make funding our investment plan more difficult. The White House, along with the Pentagon and others, will work to eliminate the Exon-Grassley cuts in conference if possible. If not, the goal will be to reduce the total level of cuts, transfer a portion of the cuts to mandatory spending, eliminate any cuts for FY95 on defense or investment accounts, and generally back-load the cuts onto FY99 (which is outside the budget caps, and therefore not enforceable). The first test likely will come early after Congress returns, when the House will consider a Kasich-sponsored motion to instruct the House conferees.

2. Administration Peacekeeping Reform Policy and Funding:

Policy: Closely related to the current funding problem is the completion of Presidential Review Directive 13 on Peacekeeping Reform. (See Tab 1 on public support for peacekeeping.) That review has been essentially completed for some time, but has been refined after extensive congressional consultations. Most recently, before asking you to sign the related PDD, we undertook a final round of widespread briefings on the Hill. Those meetings have now been completed, and the PDD should be issued. The broad outlines of the PDD are:

-- UN peacekeeping can be a valuable tool that can be used to promote U.S. national interests;

-- It is not a substitute for unilateral capability or coalitions such as Desert Storm or NATO;

-- To make UN peacekeeping live up to its promise, the UN needs to improve its organization and management in some specifically enumerated ways, including an enlarged central planning and support staff and better management control of peacekeeping operations.

-- The U.S. will apply more disciplined guidelines before supporting new peacekeeping operations, including asking for clarity regarding defined objectives and end games (indeed, we have already begun to do so in New York);

-- Similarly, we will apply new guidelines to determine when U.S. forces should participate in a UN mission. When we do, the U.S. will maintain command over all U.S. forces, giving the UN operational control only in carefully limited circumstances;

-- The U.S. also needs to change the way it is organized to support UN peacekeeping, giving DOD a larger role. Under a plan called Shared Responsibility, DOD would manage and finance the U.S. role in traditional Chapter 6 peacekeeping operations that involve U.S. combat units, e.g., Macedonia, and all Chapter 7 peace enforcement operations (authorized to use force), e.g., UNPROFOR, even without U.S. forces. State would continue to fund and manage U.S. support for all Chapter 6 peacekeeping operations without U.S. combat units, e.g., Israel-Syria-Lebanon, Cyprus, Angola and most other UN missions. Almost all peacekeeping funding now comes from State, which is not in a position to obtain all of the needed funds from Congress. Unless this activity is seen as a part of our broader national security and defense policy, there will be a chronic funding shortfall. That is why greater Defense participation is so important.

DOD has recently proposed, as a means to reassure skeptical defense appropriators, the concept of a spending cap on its FY95

UN peacekeeping assessment. With $300 million currently requested, DOD would limit outlays (appropriated levels plus reprogrammings) to $600 million a year for the next three years. (Current estimates project FY95 DOD assessments for UN peacekeeping at $660 million with the possibility of rising to $950 million with further Bosnia deployments.) The cap would require that the U.S. not vote in the UN Security Council for DOD funded peacekeeping assessments beyond $600 million in FY95 without first agreeing internally to adequate financial arrangements, such as reprogramming or an emergency supplemental, and then consulting with Congress. Any decision to go over $600 million would require Presidential approval. The purpose of the cap would be to gain Congressional support for Shared Responsibility in DOD's committees.

Funding: Over the last five years and occurring primarily in the Bush Administration, the UN's peacekeeping costs have increased by almost ten times. Because the U.S. pays 30.4% of UN peacekeeping, the growth in the UN's costs has hit us hard. For what was recently a $200 million a year line item in the small State budget, current requirements are now over $1 billion per year. Congress has refused to appropriate the required funds.

Congress denied an FY93 supplemental of $293 million and cut the Administration request last year from $620 to $402 million. These cuts, coupled with unexpected increased requirements, caused us to request a supplemental in February of $670 million with government-wide rescissions as offsets. (The supplemental was part of a three year, $1 billion package). Congress accepted the rescissions for deficit reduction and did not appropriate the peacekeeping funds.

The UN submits bills to us throughout the year. The unpaid bills now total about $400 million. With the recent expansion of the UNPROFOR operation and with anticipated expansions in Georgia and Angola, we estimate that the bills will total $1.08 billion by September 30.

Because of the resulting illiquidity at the UN, nations are not being paid for their troop contributions. For some poor nations like Bangladesh, which is in seven UN missions, the costs are substantial. Thus, several nations (Jordan, Morocco and Canada) now are refusing to continue in some UN operations (Bosnia, Somalia and Mozambique) and are reluctant to join new ones (expanded Angola and Georgia). By this summer, the UN may not have funds to buy all the required consumables such as fuel and food for troops deployed in the field.

The plan developed by an interagency group calls for senior Administration officials (Christopher, Perry, Lake, Albright, Shali and Panetta) to sit down with key Appropriations Committee leaders to solve the funding problem. There are four basic options:

-- A) An Emergency Supplemental - $1.08 billion in FY94 without offsetting rescissions;

-- B) A Partial Emergency Supplemental - with the full repayment provided over three years, the FY94 emergency supplemental portion would be $600 million. The remaining funds would come from within the State and DOD budgets distributed across FY94-96;

-- C) A "Head Room" Supplemental - use the $600 million of outlays in the overall FY 1994 appropriations cap that were not actually appropriated. The remaining funds would come from within the State and DOD budgets distributed across FY94-96; and

-- D) A Fully Offset Supplemental - again with three year repayment with contributions by State and DOD in each of the fiscal years (FY94-96).

Option A probably is unrealistic on the Hill, but worth trying Option D is virtually impossible to achieve at State and DOD without painful cuts in vital programs.

3. Foreign Assistance: The Administration has submitted to Congress a complete rewrite of the Foreign Assistance Act of 1961, designed to move away from Cold War era structure and purposes. This new authorizing bill eliminates the accumulation of decades of special purpose/interest group micro-management in the authorizing legislation for foreign assistance. Under the new structure, members would vote for objectives such as Democracy or Trade instead of being asked to vote for specific countries that many of their constituents may not be able to locate.

While Lee Hamilton favors a new approach, he believes that without an extraordinary effort by the Administration, the bill will not make it through the Senate. Many in the Senate prefer the current legislation, encrusted with the many restrictive and prescriptive barnacles, which they wrote. Sarbanes, as Senate floor manager, has signalled that he is reluctant to bring this bill to the floor this year. There is also some question as whether Senator Mitchell would give floor time to this bill, given the condensed calendar and the large number of contentious amendments the bill would attract. Thus, Hamilton wants a signal of Administration willingness to fight for the bill before he spends capital in the House. Alternatively, he would postpone the fight for passage to next year.

Whether or not there is a new basic authorization bill, the key resource issue will be the amount that is appropriated. In FY94 the Administration requested $21.774 billion for international affairs and received $19.762 billion. We have requested $20.861 billion for FY95. A large share of our current foreign aid funds goes to Israel, Egypt and the former Soviet

Union. The result is that there are few funds that can be reprogrammed to meet new or emerging requirements such as:

-- potential post-political settlement rebuilding program for Haiti;

-- a reconstruction program for the former Yugoslavia, that would be an incentive to peace;

-- a program to offset for Turkey the costs of enforcing Iraqi sanctions and to help fight Islamic fundamentalist trends.

-- funds for an expanded aid program in South Africa, beyond those taken from other African accounts.

In addition, current events in Russia are leading an increasing number of Congressmen to question the amount of aid being offered to Russia. Obtaining the FY95 request levels and avoiding crippling conditions during the authorization and appropriation process will require a concerted Administration effort.

We need to find ways of overcoming traditional opposition to "foreign give-away programs." Most Americans do not know that we spend less on foreign assistance as a percentage of GDP than almost any other advanced economy. Nor do they know that over 80% of the money is spent in the U.S. Given the relatively modest Administration request in FY95, it is vital that we obtain funding at or near the requested amount.

4. Multilateral Development Banks (MDBs): Such institutions as the World Bank, the African Development Bank, and the Inter-American Development Bank provide loans by combining U.S. funds with those of other donors. As U.S. aid has diminished, the MDBs have become even more important. In FY93, our $1.5 billion contributed to loans whose face value exceeded $45 billion. Although the U.S. contributions to the MDBs are in the International Affairs (150) budget, Treasury manages the program. Secretary Bentsen is concerned that the U.S. is significantly behind in its promised contributions to capitalize these banks.

In FY94 we requested $1.954 billion and received $1.470 billion. Adding previous year shortfalls, we now owe $847 million to these banks to make good on our pledged contributions to their expanded capitalization. Our request for FY95 is $2.002 billion of which $87 million will begin our arrearage repayment.

With diminished U.S. funding, comes reduced influence over the policies of these banks. Policies range from determining what nations should get loans to deciding what conditions (e.g. environmental standards) should be attached. Another cost of lower funding may be that U.S. firms will win fewer international contracts in a less robust global economy.

Congress has consistently cut U.S. funding for the request levels to these banks and may do so again this year. Many in the Congress prefer to provide direct U.S. assistance, which they believe gives us greater influence and to which Congress can add more conditions. Secretary Bentsen would like the Administration to send a clear signal this year that it needs funding at the budget request level.

The U.S. is both the world's largest national economy and the only remaining superpower. U.S. leadership in global economic affairs is as important as leadership in security affairs. In addition to the strength of our own economy, U.S. economic security depends upon influencing economic policies in various international fora. MDB policy decisions are an important element of the international economic environment.

5. <u>GATT Implementation (INFO Only):</u> Although trade agreements increase federal revenues as they contribute to expanded economic growth, they reduce tariff revenue in the short-run and, therefore are subject to "paygo" requirements. The Uruguay Round implementing bill is expected to require $13-17 billion in offsets over its first five years. The tariff reductions resulting from the Uruguay Round agreement itself are expected to cost $13 billion. In addition, we are considering using the Uruguay Round vehicle to renew the GSP program ($3.0 billion) and adopt a program for establishing parity in the treatment of textiles and apparel produced in the Caribbean Basin and the NAFTA countries ($1.1 billion). See Tab 2 for further information.

Attachments
Tab 1 Peacekeeping Polling Data
Tab 2 GATT Implementation