

June 12, 1996

THE PRESIDENT HAS SEEN

6.13.96

MEMORANDUM

To: The President
From: Nancy Hernreich
Amy Greenspun
Re: Jock Gill's letter

He forwards a story from the cyberspace news that deals with encryption technology. RSA President Jim Bizdos company's Japanese subsidiary had developed a chipset capable of scrambling voice and data real time with a so-called "key length" of up to 1024 bits. Current U.S. laws prohibit the export of any encryption device with a key length longer than 40-bits. Bizdos said his company has developed a set of two chips capable of scrambling messages at a level possibly threatening to the National Security Administration. He has found a legitimate way to disregard U.S. export laws for crypto product. Now, people in this country are limited to tedious encryption technologies while other countries are making and distributing robust encryption technologies, at a possible loss of up to \$60 billion for U.S. companies. Fifteen countries have placed orders for these chips and the Germans and French are not far behind in developing similar technologies.

13/11/96

EXECUTIVE OFFICE OF THE PRESIDENT

04-Jun-1996 01:57pm

TO: Nancy V. Hernreich
FROM: Jock Gill

SUBJECT: News Clip from Cyberspace

*Ann
Can you
summarize
Thank
NH*

Mr. President,

Greetings.

I doubt, somehow, that the news from cyberspace makes it into the daily White House clip pack. Perhaps it should, as cyberspace can be understood as the story of a new demographic, perhaps even a parallel universe or economy, which is growing exponentially. It could be of use in this cycle, unlike in 1992 when Eller and I began the experiment.

In any case, here is a unfiltered story, Crypto Gets A Nuke, from today's cyberspace news from one of the more outspoken denizens. This story has now crossed my mail reader three times. It would be safe to bet that it has been, or will be, read by a majority of the high tech opinion leaders in California, Texas, Washington, and Massachusetts. What will they think? Will it help or hurt?

What is important is that we are ceding this demographic to opposition story tellers. Who is telling our story to the members of this new universe in their own language? And, to be blunt, it is NOT TV.

On a more personal note, Amanda arrives in DC tonight and will be staying over at the Georgetown Univ. student dorms: room 328 in Newsouth Hall. She should arrive for work tomorrow at 9:00A.]

Many thanks for all your support, friendship and kindness towards Amanda. BTW, she wrote a term paper on the Communications Decency Act [got an A-]. She is hot on this subject if you ever want a blistering debate ;-) [just what you need]. Then again she will be upset to learn that I have bragged about her to you.

Best regards,

Jock

>X-Authentication-Warning: lh.cyberwerks.com: daemon owned process doing -bs
>From: brock@well.com
>Date: Mon, 3 Jun 1996 18:58:42 -0700
>To: cwd-1@cyberwerks.com
>Subject: CWD--Crypto Gets A Nuke
>Sender: owner-cwd-1@cyberwerks.com

>Reply-To: brock@well.com

>CyberWire Dispatch // Copyright (c) 1996 //

>Jacking in from the "One that Got Away" Port:

>Washington, DC -- President Clinton call your spooks, get FBI Director
>Louis Freeh on the phone. Tell them to order in pizza. Bill, it's
>going to be a long night. All your plans to hold the U.S. crypto
>market hostage have just been fucked... and you didn't even get kissed.

>A virtual tactical nuke was hurled into the arcane subculture of
>encryption technology Monday when RSA President Jim Bizdos revealed
>that his company's Japanese subsidiary had developed a monster chipset
>capable of scrambling voice and data real time with a so-called "key
>length" of up to 1024 bits.

>That key length stuff is just so much gibberish to those playing
>without a scorecard, so let me drill down on it for you. Basically,
>the longer the key length, the harder it is for a message to be broken
>by "brute force" automated attacks. Current U.S. laws prohibit the
>export of any encryption device with a key length longer than 40-bits,
>or roughly the equivalent of Captain Crunch decoder ring. For hardcore
>math types, I'm told that a 1024-bit key length is 10 to the 296th
>power more difficult to break than 40 bits.

>Bizdos, speaking during lunchtime at the Electronic Privacy Information
>Center (EPIC) 6th Cryptography and Privacy conference, told how his
>Japanese based company, Nihon-RSA, developed a set of two chips capable
>of scrambling messages at a level that will make the spooks in the
>Puzzle Palace (the National Security Administration) cough up hair
>balls that would make the First Cat Socks envious.

>Bizdos seems to have found crypto's magic bullet; a legit way to
>essentially give the finger to U.S. export laws for crypto product. For
>years now the White House has been locked into a kind of crypto war.
>The Administration insists that strong encryption products must not be
>exported for fear that "terrorists, child pornographers and drug
>barons" and a rabble of assorted "bad guys" would snag the technology
>and proceed to plot the destruction of the "World As We Know It"... or
>at least Western Democracy, if the inbred Iranians got in line first.

>The White House crypto-fascist team, led by the NSA, FBI and assorted
>military hawks, have offered braindead compromise plans, including
>three versions of the "Clipper Chip." This is a plan whereby you can
>buy strong locks for your data with the simple caveat that when you buy
>and use the products, you have to put the decoding key "in escrow."
>This way if a law enforcement agency ever has the need to unscramble
>any of your messages -- without you knowing it -- they can simply ask
>for these escrowed keys and have them handed over. Yes, even your
>local sheriff's department can ask for the keys.

>Now, the government promises it will use this power only for good and
>never for evil. Honest, that's what they say. Of course, the Justice
>Department, in writing the rules for getting the keys, totally absolves
>any law enforcement agency of all harm if this power is abused in any
>way. Oh... and if that power is abused, the sheriff or the FBI or
>fucking Park Police for that matter, can still use any "evidence" they

>gin up on you. Honest, I'm not making any of this stuff up.

>

>So the battle has raged. The industry has been loathe to develop such

>products only for the American market because the cost of producing

>essentially duplicate products for domestic and foreign markets just

>wouldn't be cost effective.

>

>So, you and I are stuck having to use some pretty tedious encryption

>technologies, such as PGP (Pretty Good Privacy), which is great, but

>tough to use. Or we can use the Captain Crunch Decoder ring

>equivalents available off the shelf. In the meantime, other countries

>are happily making and distributing robust encryption technologies, at

>a possible loss of up to \$60 billion for U.S. companies.

>

>In fact, it's a crime even to put a program like PGP on your laptop and

>go overseas. The State Department calls that "exporting." The

>government recently dropped a case against Phil Zimmermann, the

>inventor of PGP, after putting him through several hellish years in

>which they threatened to toss his ass in jail. There Phil would no

>longer be a threat to society at-large, but instead become a

>"girlfriend" for a 265 pound felon named Spike. Phil's "crime"??

>That somehow his PGP app had been uploaded on to the Internet and

>whisked around the world. Phil didn't do it, but the U.S. government

>cried "export violation," anyway, eventually telling him, "Oh, never

>mind."

>

>So Bizdos, tired of fighting the wars here, enlisted the help of the

>Japanese. After setting up his Japanese unit, he hired a crack team

>of Japanese crypto experts who essentially "reverse engineered" the

>company's own U.S. crypto product, according to Kurt Stammberger, RSA

>director of technology marketing. It was a brilliant move. Bizdos

>can't be slammed by the State Department for violating crypto export

>laws because, well, he didn't export a damn thing, except some U.S.

>greenbacks, which of course, could have gone to U.S. cryptographers,

>but let's not quibble about jobs.

>

>Anyone want to kick around the subject of global competitiveness?

>

>What's happened here is the Japanese have now trumped the entire world

>on the crypto market. What's more, Clinton's brain-dead allegiance to

>the FBI, et al., has now allowed the Japanese government, which still

>owns a large share of NTT, which owns a minority share of RSA's

>Japanese subsidiary, to have a lock on the world's strongest encryption

>technology. Can you say "Remember the VCR" or "Remember the

>Semiconductor" or how about "Thanks, Bill. We're fucked."

>

>The boys in the Pentagon made a stink a few years ago when a Japanese

>company made a play for Fairchild, a top defense contractor. It was

>feared that the Japanese, by swallowing up the U.S. company, would also

>gain access to technologies vital to the U.S. military. The deal was

>squashed. Natch... now it looks like the G.I.'s with the stars on

>their shoulders have just put their spit-shined combat boots up their

>own ass by supporting Clinton and his continued ban on crypto exports.

>

>"We truly have ceded this market Japanese companies," Bizdos said.

>"It's almost too late to turn it around." Some 15 COUNTRIES have

>already placed orders for these chips, Bizdos said, adding that the

>Japanese will not build the chips with a key escrow function.

>

>EPIC Director Marc Rotenberg said he was told by a Japanese

>representative that the country's constitution wouldn't allow key
>escrow because it doesn't allow wire-tapping. Umm... maybe the
>Japanese just don't have *really* bad guys like the FBI assumes we have
>here.

>
>What's more, Bizdos says the deal with NTT is "no coup." He says the
>Germans and French "aren't far behind" in developing similar
>technologies. The RSA bombshell "fuels the argument that this stuff
>can't be contained in our own borders," said PGP's Zimmermann.

>
>Just how the relationship between NTT and RSA works out isn't set,
>Bizdos acknowledged. "They'll pay us a royalty for the chips they
>sell," he said. "We're working it all out."

>
>Meanwhile, from my office window here in DC I've already counted 17
>Domino's Pizza delivery bikes go screaming by on their way to the White
>House. Through my telescope I can see the White House balcony; it
>looks like Bill is sick, like he's just heard some "really bad news."
>And behind him, just inside the double-doors, on a persian rug placed
>there by Warren G. Harding, I think Socks the Cat has just coughed up a
>hairball... or maybe it was Louis Freeh. From this angle, I just can't
>be sure.

>
>Meeks out...

>
>-----

>
>Additional reporting by Declan McCullagh (declan@well.com)

>
>

Jock Gill
Penfield Gill, Inc.
Boston, MA
jgill@penfield-gill.com
<<http://www.penfield-gill.com/gill>>

On Computer
failing in Year
2000. Signs
Lead to VP 12
Analyze - yes
Pls. Do By.

original book
given to VP

Jean Houston, Ph.D.

P.O Box 3300 • Pomona, New York 10970 • (914) 354-4965 • (914) 354-3288

ce VP
Ann
Stork

May 27th, 1996

Dear President Clinton,

THE PRESIDENT HAS SEEN

6-12-96

You asked Catherine Bateson and me to send you ideas that seemed important. Well, sir, here is a major-one that has enormous consequences for our technology, our economy, our world. Let me preface by telling you that I am something of a computer nerd. In fact, if I were 15 years younger, I would probably weigh 300 pounds, wear bottle glasses and peer endlessly into my computer monitor, while continuously stuffing Twinkies into my mouth. I have stayed reasonably abreast of many developments in the field, and because of this am convinced of the critical importance of what follows.

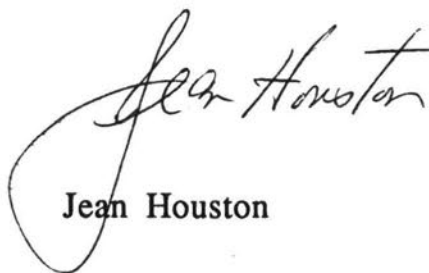
You may have heard about the specter of mainframe computers failing the world over by 2000 because each contains an inability to recognize certain digits encoded in all current programs. Bernadette Reiter, who is herself one of the world's leading experts in computer programming blew the whistle on this terrible problem, and there have been a number of prime time reports on the news concerning this. Unfortunately, the issue is so huge, that most agencies are taking an ostrich head-in-the sand approach, hoping that some miraculous solution will appear. Sadly, this is not the case, and we are rushing towards technological holocaust if the problem is not addressed broadly starting immediately. Therefore, I have asked Ms. Reiter to prepare for you and your staff a brief report on the problem and suggestions as to what can be done. I've asked her to keep it simple, graphic, and without the esoteric language which would obfuscate the very real problem. The report, The Present: Look Inside is enclosed. I think you will find it to be fascinating as well as disturbing, as well as deserving of immediate attention. X

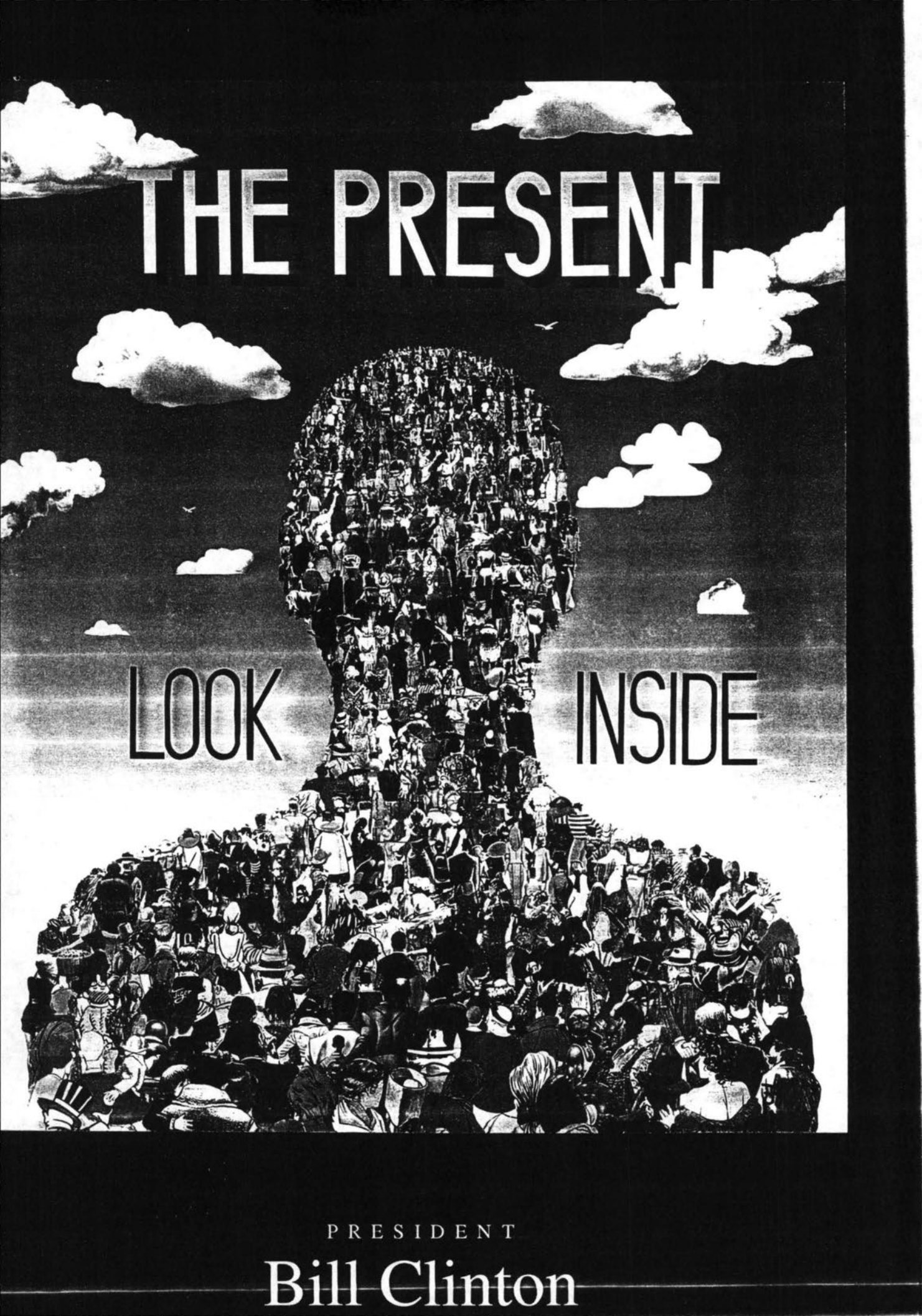
Good luck on your campaign. I realize that what with media mania and the acceleration of news, there has to be a tennis match approach to charges and counter-charges, but I know that you will find a way to give the American people the deeper vision they deserve and you so richly possess. As one who travels constantly and gets to talk to everybody I find that what Americans are looking towards in the man who will be the millennial President is the one who holds the dream of American renewal, as well as the practical ways of accomplishing that dream. They are tired of the toxic tenor of political campaigns which leave us in a wasteland,

when they could have been in a green land of hope and promise. The savagery of current Republican strategy has turned off millions for we are basically a nation of compassionate, caring folk, and ultimately we give our vote and trust to the man who represents that compassion, that caring. I believe that the best way of handling Mr. Dole in the ads is not to trash him or call him a "quitter", but rather to honor him as an elder, and then move on to speak of the youthful vision of the incumbent that can handle the demands of a new millennium. The ads would engage the best in the public mind and not pander to the worst. This is not to make the Dukakis mistake, but rather to raise the public dialogue and bring a higher virtue into the notion of governance, and he who governs.

By the way, our mutual friend Laurence Rockefeller, who has just celebrated his 86th birthday, would very much like to be invited to your place for dinner or something. He is too shy to ask so I am doing it for him. ✕

With warm regards and deep appreciation for all the things you are,


Jean Houston

A black and white photograph of a massive crowd of people, seen from behind, forming the silhouette of a person's head and neck. The crowd is dense and extends from the bottom of the frame up to the top. The background is a dark sky with several white, fluffy clouds. The text "THE PRESENT" is superimposed on the upper part of the image, and "LOOK INSIDE" is on the lower part, flanking the neck of the crowd-silhouette.

THE PRESENT

LOOK

INSIDE

P R E S I D E N T

Bill Clinton



2545 Central Avenue
Boulder, Colorado 80301
(303) 442-2200
(303) 442-3000 fax
info@objinc.com
<http://www.objinc.com>

May 16, 1996

The President
The White House
Washington, DC 20500

Mr. President and Mrs. Clinton,

As briefly as possible, I would like to draw your attention to what will be one of the largest issues you will face, and one which will define your Presidency in your second term. Most importantly, I can offer your staff a plan that will avert this potential crisis and help transform our society as we enter the next Millennium. Your leadership, by necessity, will be a major component in any solution.

What is the problem?

The problem itself is simple: 90% of all computer programs throughout the world currently use six-digits to calculate dates. May 1, 1996 is entered as 05-01-96. When the year turns 2000 there simply will not be space for the program to do the math. To the software, 2000 is 00. The programs will read 00 as 1900 and begin to miscalculate, or refuse to acknowledge, Social Security checks, weapon systems, payroll, pension funds, insurance premiums, bank interest, stock market transactions, savings, and all other data that has to do with time.

The estimated cost to the US government is over 30 billion dollars. Cost to industry worldwide is between 400 and 600 billion dollars. To put the cost in perspective, the Vietnam War was 430 billion dollars and also failed. If not fixed, the 'domino affect' of this event will collapse our banking and manufacturing industries, destroy faith in governments, and beggar most of the general public throughout the world.

If you are like most people, right about now you need to take a breath. It sounds like science fiction. Unfortunately, it is not. I am sure that most of your advisors are becoming aware of the problem and its magnitude. What they may not be aware of is that virtually all the currently proposed 'fixes' will not, in fact cannot, work. One of the reasons for this is that there is just not enough time. Firstly, whatever has been said or wished for, the problem is so complex that there are no 'tools' to fix this automatically. Also, there are now only about 1200 days before the Millennium *in total* - less than 900 working days.

To a small extent I feel personally responsible for this current grave situation; 20 years ago as one of thousands of programmers, I helped to write some of the software which is about to be found unusable. More importantly, for a very long time, and with little

success, I have been carrying out a lone crusade to alert the World to the seriousness of the problem. General Doyle, now retired, remembers my efforts at the Pentagon over a decade ago. The reaction then was "someone will fix it".

Unfortunately, no one has.

Because of my early involvement and subsequent, perhaps unique experience in computing systems, I believe that I do have a practical solution which could be implemented in time, given the right focus and mobilization of resources. I use the word 'mobilization' deliberately. The problem is worldwide and although apparently in the domain of large corporations, governments and the military, its negative impact will be greatest on the private individual everywhere.

Essentially, given the extreme, global inter-connectivity of all computer systems - particularly financial, security and military ones - unless 100% of all these systems work properly, none will. This is not a situation where even 99% 'will be OK'. Currently, no one is even forecasting that 90% will be ready on time.

The solution we have come up with can fix the problem 100%, well before the next Millennium arrives, for a fraction of current identified budget requirements. We would like to share this idea with you because we think this solution should be shared with all who need it, and become a universal standard. The next step would be grounded on a unique sense of cooperation among governments, industries, and software developers, all capable of contributing to 'the solution'.

Amazingly, the world is still largely uncomprehending of the Armageddon rushing upon it. I believe that it now urgently needs the energy of America to lead its awakening, not merely to the problems, but to the practical solutions which are still available within the collapsing time-frames left to us.

Mr. President, I ask you sincerely and fervently, to initiate this mobilization. I am prepared to give my utmost, and to put the, albeit slim, resources of my international corporation at the service of any staff you assign to this crucial issue. It is, as I said at the start of this letter, perhaps the most important issue in what I hope will be your next term as President.

If you find that your immediate staff is not sufficiently briefed in the esoteric details of this situation, I will naturally be more than happy to take a call from you at any time to provide you with whatever information or understanding you need.

Most sincerely,


Bernadette Reiter

Carada

THE PRESIDENT HAS SEEN
6-12-96
NORMAN LEAR

*(prob shld do this
at least consider*

May 31, 1996

*1. Ce Scheduling
Hourat
Don B 6/3
2. Pres.*

Dear Mr. President:

Thank you for your warm note. I loved seeing you, too.

I do have some follow-up thoughts regarding corporate citizenship. The first would be for you to accept an invitation to address the BUSINESS ENTERPRISE TRUST at our luncheon in New York on November 19, 1996, two weeks after your re-election. The timing would be perfect. The Trust has a book coming out in September, covering its first five years of awards, and the timing is perfect for you to further develop the remarks you made via satellite the year before last. It would be an ideal forum to discuss, if you agree with my feeling, the fact that government and business *must* work together to cure many of the ills of our society.

This talk, Mr. President, would be the first of a series of sermons I hear you preaching in your second term; sermons (I use the word only for expression) that help the American people and their institutions understand their future. I spoke to you at lunch of Pete Peterson's remarkable article in Atlantic Monthly which I think might be the basis for another such sermon.

Beyond these thoughts, I have written you in the past six months about how business and government might together tackle the air traffic control problem in this country, as well as the question of collaborating to find an antidote for the Aids epidemic. There is more, of course, but I won't burden this letter further at this time.

If the Trust can be of any help to you (and those you named at the conference) in managing the Ron Brown Corporate Citizenship Award, the structure is in place and we are ready, willing and able.

My love to you and Hillary.



NL:gd

President Bill Clinton
The White House
1600 Pennsylvania Ave.-West Wing
Washington, DC 20500-2000

*cc Tyson
Scheduling*

June 7, 1996

M E M O R A N D U M

TO: The President

FROM: Nancy Hernreich
Mildred C. Alston

RE: Recent Correspondence

Dick and Johnette Taylor and Girls of The Clinton Connection -
"We believe in you...and we hope just knowing that might help somehow!" Love and prayers during trying times.

*german
shells
KMM*

Jock Gill enjoyed Princeton speech; particularly liked "Education...is a sturdy bridge that will lead us all together from the old economy to the new one." He commends to you Harvard President Neil Rudenstine's speech on the internet and education. He makes analysis of why the internet must become a strategic direction for Harvard and education. Josh will be here June 20 for Center for Democracy and Technology meetings. John Podesta asked him to join advisory board.

SeVP

Gov. Gaston Caperton - Democratic Governors were pleased to meet with you and are grateful for your commitment to them. They are committed to supporting your efforts on welfare and medicaid reform, and to your re-election. He offers to help you or the Vice President in the area of education and technology. As a follow-up, he met with your candidate for Governor of WV.

Ernest O. Norquist is pleased you visited Milwaukee to meet with Chancellor Kohl and that their son John, the Mayor, and members of his family were there, although he and Jeanette were in Mexico at the time. They appreciated reading Hillary's biography by Donnie Radliffe. "Non ministrari, sed ministrare" evoked memories of a great Army chaplain they had in WW II who carried cards bearing the same Latin words from the New Testament.

THE PRESIDENT HAS SEEN

6-12-96

EDUCATION MANAGEMENT CORPORATION

cc: Down / USC
back to me -
BC

DATE 6/6/96
TIME 1 PM

TO: Nancy Herrnreich
COMPANY: _____

FROM: Billy Webster
PAGES TO FOLLOW: 4

MESSAGE: _____

IF TRANSMISSION IS INCOMPLETE, CONTACT

Dorothy

AT 412/562-0900

EDUCATION MANAGEMENT CORPORATION

WILLIAM M. WEBSTER
Executive Vice President

Nancy,

Hi! I thought you and
the Boss might find these
funny... especially the Paris
"notice."

Miss you all -

Ricky

*EC + other friends
from Admin
in Chicago -
Enjoy!*

Unknown

From: Mandy Kamin
Sent: Thursday, May 16, 1996 9:20 AM
To: *SCHAUMBURG STAFF; *CHAMPAIGN STAFF; johanna.pearson; keith.binding; mikh;
 WonderJF1; Brian Zehnle
Subject: FW: foreigners (fwd)

I thought maybe you'd find this kind of funny....

Mandy

From: MCCKU@aol.com(SMTP:MCCKU@aol.com)
Sent: Wednesday, May 15, 1996 10:08 AM
To: Mandy Kamin (MS Mail (WORDLINK)); HERMRECK_W@harvey.bakeru.edu; Jrfleser@falcon.cc.ukans.edu;
 RGraff@lwa.cso.uiuc.edu; ZEHNBC@aol.com; Yaz27@aol.com; Julie_Bennett@msn.com@internet;
 KUWInter@falcon.cc.ukans.edu
Subject: foreigners (fwd)

FUNNY ENGLISH NOTICES AROUND THE WORLD!

Here are some signs and notices written in English that were discovered throughout the world. You have to give the writers an 'E' for Effort. We hope you enjoy them.

In a Tokyo Hotel:

Is forbidden to steal hotel towels please. If you are not a person to do such thing is please not to read notis.

In a Bucharest hotel lobby:

The lift is being fixed for the next day. During that time we regret that you will be unbearable.

In a Leipzig elevator:

Do not enter the lift backwards, and only when lit up.

In a Belgrade hotel elevator:

To move the cabin, push button for wishing floor. If the cabin should enter more persons, each one should press a number of wishing floor. Driving is then going alphabetically by national order.

In a Paris hotel elevator:

Please leave your values at the front desk.

In a hotel in Athens:

Visitors are expected to complain at the office between the hours of 9 and 11 A.M. daily.

In a Yugoslavian hotel:

The flattening of underwear with pleasure is the job of the chambermaid.

In a Japanese hotel:

You are invited to take advantage of the chambermaid.

In the lobby of a Moscow hotel across from a Russian Orthodox monastery:

You are welcome to visit the cemetery where famous Russian and Soviet composers, artists, and writers are buried daily except Thursday.

In an Austrian hotel catering to skiers:

Not to perambulate the corridors in the hours of repose in the boots of ascension.

On the menu of a Swiss restaurant:

Our wines leave you nothing to hope for.

On the menu of a Polish hotel:

Salad a firm's own make; limpid red beet soup with cheesy dumplings in the form of a finger; roasted duck let loose; beef rashers beaten up in the country people's fashion.

Outside a Hong Kong tailor shop:

Ladies may have a fit upstairs.

In a Bangkok dry cleaner's:

Drop your trousers here for best results.

Outside a Paris dress shop:

Dresses for street walking.

In a Rhodes tailor shop:

Order your summers suit. Because is big rush we will execute customers in strict rotation.

A sign posted in Germany's Black forest:

It is strictly forbidden on our black forest camping site that people of different sex, for instance, men and women, live together in one tent unless they are married with each other for that purpose.

In a Zurich hotel:

Because of the impropriety of entertaining guests of the opposite sex in the bedroom, it is suggested that the lobby be used for this purpose.

In an advertisement by a Hong Kong dentist:

Teeth extracted by the latest Methodists.

In a Rome laundry:

Ladies, leave your clothes here and spend the afternoon having a good time.

In a Czechoslovakian tourist agency:

Take one of our horse-driven city tours - we guarantee no miscarriages.

Advertisement for donkey rides in Thailand:

Would you like to ride on your own ass?

In a Swiss mountain inn:

Special today -- no ice cream.

In a Bangkok temple:

It is forbidden to enter a woman even a foreigner if dressed as a man.

In a Tokyo bar:

Special cocktails for the ladies with nuts.

In a Copenhagen airline ticket office:

We take your bags and send them in all directions.

On the door of a Moscow hotel room:

If this is your first visit to the USSR, you are welcome to it.

In a Norwegian cocktail lounge:

Ladies are requested not to have children in the bar.

In a Budapest zoo:

Please do not feed the animals. If you have any suitable food, give it to the guard on duty.

In the office of a Roman doctor:

Specialist in women and other diseases.

In an Acapulco hotel:

The manager has personally passed all the water served here.

In a Tokyo shop:

Our nylons cost more than common, but you'll find they are best in the long run.

From a Japanese information booklet about using a hotel air conditioner:

Cooler and Heater: If you want just condition of warm in your room, please control yourself.

From a brochure of a car rental firm in Tokyo:

When passenger of foot heave in sight, tootle the horn. Trumpet him melodiously at first, but if he still obstructs your passage then tootle him with vigor.

Two signs from a Majorcan shop entrance:

- English well talking.
- Here speaking American.

THE WHITE HOUSE
WASHINGTON

OFFICE OF THE STAFF SECRETARY

Fax Transmittal Sheet

TO:

Bob Kyle

Fax Number:

69280

Phone Number:

FROM:

Todd Stern

SUBJECT:

DATE:

6/12/96

NUMBER OF PAGES (including cover sheet):

15

MESSAGE:

If all pages are not received, please call 202/456-2702

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THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

JUN 11 1996

96 JUN 11 P 6:03

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Charlene Barshefsky 
SUBJECT: Status of U.S.-China Trade Agreement

Issue:

Whether you will formally reconfirm that you believe that a satisfactory balance of concessions in trade and services has been maintained with China during the life of our Trade Agreement with China, and that actual or foreseeable reductions in U.S. tariffs and nontariff barriers to trade resulting from multilateral negotiations have been satisfactorily reciprocated by China. Such a reconfirmation would clarify that the renewal of our Trade Agreement with China on February 1, 1995, was appropriate under Title IV of the Trade Act of 1974, as amended.

Discussion:

Most Favored Nation (MFN) trading status can only be extended to a country subject to Title IV of the Trade Act of 1974 (a so-called "Jackson-Vanik country") if (1) the Jackson-Vanik freedom-of-emigration requirements are met or waived and (2) a trade agreement is in place between the United States and the country obligating the United States to extend MFN status. On February 1, 1995, our Trade Agreement with China automatically renewed for another three-year term. As a result the second requirement for the extension of MFN treatment has been met.

Section 405 of the Trade Act states that renewal of a Title IV trade agreement can take place only if a satisfactory balance of concessions in trade and services has been maintained during the life of the agreement and if the President determines that the country has satisfactorily reciprocated reductions in U.S. tariffs and nontariff barriers resulting from multilateral negotiations. 19 U.S.C. 2435(b). Optimally, these findings should be made before the automatic renewal of the trade agreement. Secretary Kantor, while USTR, recommended that you make such a determination last year with respect to the renewal of the Trade Agreement with China, but it appears that the recommendation was never formally acted upon.

Some question has arisen as to whether the absence of a formal determination by you that the Section 405 criteria had been met precludes the ongoing grant of MFN treatment to products from China. Nancy Pelosi and four other members of Congress have written to you asking whether a determination was made with respect to China and if so on what grounds. That letter and the draft response from me are

My Counsel, in consultation with the Department of Justice, has concluded that it does not, but that any questions on this matter can be addressed by your making the attached determination. A copy of Secretary Kantor's recommendation from last year that you make the Section 405 determination is attached. I can confirm that since the time of his recommendation in April of last year China has continued satisfactorily to reciprocate the reductions in tariffs and nontariff barriers that the United States has made as a result of multilateral negotiations, and that a satisfactory balance of concessions in trade and services has been maintained during the life of the Trade Agreement.

Therefore, to remove any doubt as to the status of the Trade Agreement, and our continued grant of MFN treatment to products from China, I recommend your formally reconfirming that the Section 405 criteria were met at that time and continue to be met. You can do so by signing the attached determination.

Recommendation:

I recommend that you reconfirm that the Section 405 criteria have been fulfilled throughout the life of the U.S.-China Trade Agreement, including at the time of the automatic renewal of the Agreement, by signing the attached Presidential Determination.

Action on the Recommendation:

Approve _____ Disapprove _____ More Information Required _____

Enclosures:

Tab A: Draft Presidential Determination

Tab B: Copy of Secretary Kantor's Recommendation

Tab C: Letter from Congresspersons Pelosi, Cox, Brown, Gilman and Solomon

Tab D: Draft response from me on your behalf

Presidential Determination
No. _____

MEMORANDUM FOR THE UNITED STATES TRADE REPRESENTATIVE

SUBJECT: Reconfirmation of Findings With Respect to the
Trade Agreement With the People's Republic of
China

Since February 1, 1992, the United States of America and the People's Republic of China have had in effect a bilateral Agreement on Trade Relations, in relation to which, pursuant to my authority under subsection 405(b)(1) of the Trade Act of 1974 (19 U.S.C. 2435(b)(1)), I reconfirm that a satisfactory balance of concessions in trade and services has been maintained during the life of the Agreement and that actual or foreseeable reductions in U.S. tariffs and nontariff barriers to trade resulting from multilateral negotiations are, and continuously have been, satisfactorily reciprocated by the People's Republic of China.

You are authorized and directed to publish this memorandum in the Federal Register.

THE UNITED STATES TRADE REPRESENTATIVE
Executive Office of the President
Washington, D.C. 20506

FILE

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador Michael Kantor

SUBJECT: Renewal of Trade Agreements with China and Bulgaria

Issue:

Our trade agreements with China, Bulgaria, and other Jackson-Vanik countries may be renewed only after a Presidential determination has been made that each country has satisfactorily reciprocated reductions in U.S. tariffs and nontariff barriers resulting from multilateral negotiations. To complete this formality, I recommend that you sign the attached determinations memorializing that this criterion has been fulfilled.

Discussion:

Section 405 of the Trade Act of 1974 provides that trade agreements entered into with the so-called "Jackson-Vanik countries" can be renewed on three-year cycles if, *inter alia*, the President determines that such countries have satisfactorily reciprocated reductions in U.S. tariffs and nontariff barriers resulting from multilateral negotiations. 19 U.S.C. 2435(b). Renewal of the trade agreements between the United States and China and the United States and Bulgaria are each subject to this requirement.

Both China and Bulgaria have made progress over the last three years to liberalize their trading regimes. I believe that each has satisfactorily reciprocated the reductions in tariffs and nontariff barriers that we have made as a result of multilateral negotiations, and that the renewal of each of these trade agreements, which took place over the past few months, is appropriate. Your signing the attached determination would memorialize the appropriateness of the renewal.

Recommendation:

I recommend, with the concurrence of the Commerce and State Departments, that you determine that each country has satisfactorily reciprocated reductions in U.S. tariffs and nontariff barriers resulting from multilateral negotiations by signing the attached Presidential Determinations.

Action on the Recommendation:

1/11

THE PRESIDENT
RENEWAL OF TRADE AGREEMENT WITH THE PEOPLE'S REPUBLIC OF CHINA

Presidential Determination No. 95-__ of March __, 1995

MEMORANDUM FOR THE UNITED STATES TRADE REPRESENTATIVE

Pursuant to my authority under subsection 405(b)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2435(b)(1)(B)), I have determined that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the People's Republic of China.

/s/ William Clinton

Washington, April __, 1995.

THE PRESIDENT
RENEWAL OF TRADE AGREEMENT WITH THE REPUBLIC OF BULGARIA

Presidential Determination No. 95-__ of March __, 1995

MEMORANDUM FOR THE UNITED STATES TRADE REPRESENTATIVE

Pursuant to my authority under subsection 405(b)(1)(B) of the Trade Act of 1974 (19 U.S.C. 2435(b)(1)(B)), I have determined that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the Republic of Bulgaria.

/s/ William Clinton

Washington, April __, 1995.

Congress of the United States
House of Representatives
Washington, DC 20515

June 7, 1996

President William Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

Section 405(b)(1) of the Trade Act of 1974, 19 U.S.C. 2435(b)(1), requires that bilateral commercial agreements providing nondiscriminatory treatment of the exports from non-market economies, once enacted, "may be renewable for additional periods, each not to exceed 3 years; if--

(A) a satisfactory balance of concessions in trade and services has been maintained during the life of such agreement, and

(B) the President determines that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the other party to the bilateral agreement."

The extension of the July 1979 Agreement on Trade Relations Between the United States of America and the People's Republic of China, hence, by law requires a presidential determination that American efforts to reduce barriers to trade are being reciprocated by the PRC. Determinations permitting extensions of this agreement have in the past been published in the Federal Register. (See, e.g., Pres. Determination 92-12 of January 31, 1992, Fed. Reg. 19077; Pres. Memorandum of December 19, 1988, 53 Fed. Reg. 51217; Sec. 5 of Pres. Proclamation 5718 of October 2, 1987, 52 Fed. Reg. 37275, and Pres. Memorandum of December 23, 1982, 47 Fed. Reg. 57653.)

While the last extension of the agreement with the PRC expired on February 1, 1995, no such determination has been published in the Federal Register since that time. Have you made that determination? If so, on what date did you do so? On what basis did you make this determination? Would you provide us with a copy of the determination?

If you have not made such a determination, does nondiscriminatory treatment remain in effect, pursuant to 19 U.S.C. 2434(b), with respect to imports from the PRC?

The PRC has been less than forthcoming in reducing barriers to trade. The U.S. Trade Representative's 1996 National Trade Estimate Report on Foreign Trade Barriers notes that,

"China still maintains a large number of non-tariff administrative controls to implement its trade and industrial policies. In addition to such quotas and licensing requirements,

China also restricts the types and numbers of entities within China which have the legal right to engage in international trade. Foreign exchange balancing regulations could also further restrict imports even for firms that possess the right to import. Finally, despite moves to lower tariffs, China's tariffs, in many cases, remain prohibitively high."

Those tariffs are sufficiently high that on the whole they remain higher than U.S. tariffs would be if it revoked the PRC's most-favored-nation status. These and other impediments to the entry of foreign goods into the PRC explain in large part why, as the USTR report indicates, in 1995 the U.S. trade deficit with China was \$33.8 billion, \$4.3 billion greater than in 1994.

Moreover, the United States has published a retaliation list for implementation of prohibitive tariffs on over \$2 billion in PRC exports to the U.S. for not enforcing the agreement it concluded with the United States on intellectual property rights on February 26, 1995. It is important to note that Article VI of the 1979 agreement with the PRC focuses on the mutual recognition of "the importance of effective protection of patents, trademarks and copyrights" enforced in a reciprocal fashion, which the PRC has manifestly failed to live up to.

We are also interested whether you would reaffirm the assessment in Article II, paragraph 3 of the 1979 agreement that, "at its current state of development, China is a developing country." Should the PRC be admitted to the World Trade Organization, is it the position of the Administration that the PRC should be considered a "developing" country and hence be given a relaxed schedule for the gradual removal of barriers to trade upon accession to the WTO? These would be grossly unfair benefits to grant to the eleventh largest trading nation in the world. By comparison, the World Bank will be graduating the PRC from eligibility for International Development Association loans as a "developing" nation in the next 3 to 5 years.

We look forward to receiving a prompt response, given our congressional responsibility to consider your May 31, 1996 request for a waiver under the provisions of the so-called Jackson-Vanik Amendment to extend most-favored-nation trading status for the PRC.

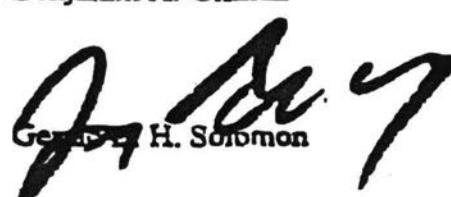
Sincerely,



Christopher Cox



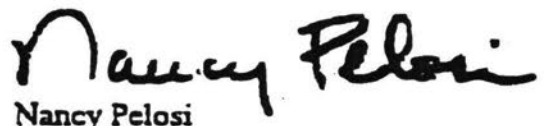
Benjamin A. Gilman



George H. Solomon



Sherrod Brown



Nancy Pelosi

Dear Congresswoman Pelosi:

President Clinton has asked that I respond to your letter of June 7, 1996, concerning the extension of the 1979 Bilateral Agreement on Trade Relations Between the United States of America and the People's Republic of China. I am pleased to confirm that this Agreement remains in effect and that imports from China currently receive non-discriminatory treatment pursuant to the provisions of Title IV of the Trade Act of 1974, as amended (1974 Act).

As President Clinton stated in connection with the extension of the waiver of Title IV's requirements on emigration, providing non-discriminatory treatment to imports from China advances critical U.S. interests, including trade, human rights, non-proliferation, Taiwan relations and other interests. Maintaining our overall relationship with China enables the United States to engage China, to enhance areas of cooperation and to pursue American interests in areas where we differ. Actively engaging China to resolve our differences is key to achieving U.S. objectives.

Renewing the 1979 Agreement and continuing to provide MFN treatment under that Agreement best advances significant U.S. economic and trade interests. Nearly 170,000 Americans owe their jobs to U.S. exports to China. China is the world's fastest growing major economy, with annual growth rates of more than 10 percent for each of the past four years. Already possessing the world's largest population, by early in the next century, China may have the world's largest economy. Clearly our trade deficit with China is troubling, but the solution to this is to enhance our ability to sell products and services in the Chinese market, not to withdraw from that market.

The 1979 Agreement is the foundation of the U.S. economic relationship with China and includes basic rules for conducting commercial transactions between our countries. These rules encompass matters ranging from customs rules and procedures, to providing facilities for banking and financial transactions, to business facilitation activities and ensuring that we receive MFN treatment under laws affecting the sale, purchase, distribution and use of imported products in our domestic markets. A key element of the 1979 Agreement is the obligation to exchange information and consult on problems arising in our bilateral trade relationship. The United States has been able to call upon this commitment to initiate consultations to resolve trade disputes with China. Terminating the 1979 Agreement would eliminate these basic rights and obligations. Such action will not open China's market and help create jobs in the United States nor will it aid in addressing our non-economic concerns in China.

We have seen signs of progress on trade issues with China. In 1995 alone, total U.S. exports to China increased by nearly 27 percent. At \$12 billion, these exports were more than double the level of exports in 1990. As a result of China's elimination of quotas and licensing requirements on imports of key high-technology products, U.S. exports of electrical machinery--items such as telecommunications equipment, semiconductors, and photocopiers--were more than 40 percent

The Honorable Nancy Pelosi
Page Two

higher in 1995 than just two years previous. Since January 1, 1993, for example, the U.S. companies have exported over \$3 billion worth of telecommunications equipment to China. U.S. wheat sales have increased by more than 45 percent since 1993 and we expect to see increased exports of other agricultural products, such as apples and cherries, as we implement agricultural import protocols with China.

While China must make further substantial progress on market access (as well as other issues), renewing the 1979 Agreement and continuing to provide MFN treatment to China is in the best interest of the United States. We will continue to use provisions of U.S. trade law aggressively to achieve continued progress and to ensure that China lives up to its bilateral Agreements. USTR's actions, at the direction of the President, in concluding and enforcing the 1995 Agreement on Intellectual Property Rights are prime examples of using specific authority and targeted actions to advance U.S. objectives.

As you note, China is in the process of negotiating its accession to the World Trade Organization. President Clinton has personally communicated to China's leaders that accession must be on a commercially viable basis. As a major trading nation, China has a responsibility to the international trading system to open its markets and provide reciprocal access.

Regarding the determination required under section 405(b)(1) of the 1974 Act, the statute does not require its publication. In light of your concerns, however, I have enclosed a copy of the President's decision reconfirming the determination to extend the 1979 Agreement.

Sincerely,

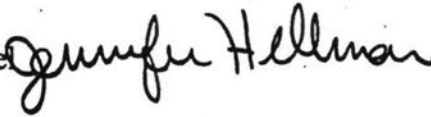
Charlene Barshefsky
Acting U.S. Trade Representative

Enclosure

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

June 11, 1996

MEMORANDUM FOR AMBASSADOR CHARLENE BARSHEFSKY

FROM: Jennifer Hillman, General Counsel 
SUBJECT: Status of U.S.-China Trade Agreement and Implications for China's MFN Status
ISSUE: Assuming that a Title IV trade agreement renewal decision was not formally issued by the President with respect to the U.S.-China Trade Agreement, what are the legal implications on China's MFN status under U.S. law?

BACKGROUND:

The Title IV System

Extension of MFN treatment to China is governed by Title IV of the Trade Act of 1974, as amended (19 U.S.C. 2431 et seq.), which prohibits the grant of MFN treatment absent compliance with the Jackson-Vanik freedom-of-emigration requirements and the conclusion of a bilateral trade agreement approved by Congress. Compliance with the Jackson-Vanik requirements requires either (1) a presidential determination that China is in full compliance with the freedom-of-emigration requirements in the statute,¹ or (2) a presidential waiver of the requirements based on a finding that such waiver will substantially promote the emigration objectives of the statute, provided that the President has received assurances that the emigration practices of that country will henceforth lead substantially to the achievement of the emigration objectives of the statute.² The President can recommend waiver extensions for successive 12-month periods.³

Once compliance with the Jackson-Vanik requirements is established, section 404 of the Trade Act⁴ permits the President to extend MFN treatment by proclamation if (1) the United

¹ Section 402(a) and (b) of the Trade Act of 1974 (19 U.S.C. 2432(a) and (b)).

² Section 402(c) of the Trade Act of 1974 (19 U.S.C. 2432(c)).

³ Section 402(d) of the Trade Act of 1974 (19 U.S.C. 2432(d)). Presidential waivers of Jackson-Vanik requirements are subject to Congressional disapproval resolutions enacted into law. The President can veto disapproval resolutions, which veto can be overridden by a vote of both Houses of Congress within relatively limited time frames.

⁴ 19 U.S.C. 2434(a).

States has entered into a bilateral commercial agreement meeting certain statutory criteria⁵ and (2) Congress has by joint resolution approved of the commercial agreement and the proclamation.⁶ The extension of MFN treatment can continue as long as the obligations of the United States under the commercial agreement remain in effect.⁷ The President is free to suspend or withdraw the extension of MFN treatment to any country at any time.⁸

Section 405 of the Trade Act provides, inter alia, that commercial agreements shall be limited to an initial period of no more than three years from the date the agreement enters into force. Agreements are renewable for additional periods of no more than three years if (1) a satisfactory balance of concessions in trade and services has been maintained during the life of such agreement, and (2) the President determines that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are satisfactorily reciprocated by the other party. The Senate Report on the 1974 Trade Act elaborates on what should be considered in the Section 405 renewal:

“Under the provision of subparagraph (1), these agreements could not have an initial term of more than 3 years, but could be renewed by whatever mechanism the parties agree upon for an indefinite number of additional periods (not to exceed 3 years each), if a satisfactory balance of concessions in trade and services has been maintained during the life of the agreement, and if actual or foreseeable U.S. concessions are being satisfactorily reciprocated. The Committee expects, for example, that the benefits of trade concessions extended by the United States in the forthcoming negotiations would be reciprocated, and that no country receiving nondiscriminatory treatment in a bilateral agreement could be given a ‘free ride’. The purpose of the 3-year limit is to provide an opportunity for periodic review of the experience of the parties under the commercial agreement. Such review would include an examination of the balance of concessions, on an overall basis covering the life of the agreement (including all extensions), before the agreement is permitted to be re-extended. If that balance is not satisfactory, it is expected that the agreement would not be extended (or further extended). Such limitations are imposed to

⁵ Section 405(b) of the Trade Act of 1974 (19 U.S.C. 2435(b)).

⁶ Section 405(c) of the Trade Act of 1974 (19 U.S.C. 2435(c)).

⁷ Section 404(b) of the Trade Act of 1974 (19 U.S.C. 2434(b)). The legislative history to this provision provides that the grant of MFN to a country subject to Title IV “could be continued only as long as the period of effectiveness of U.S. obligations to the other country under the commercial agreement.” 4 U.S. Code Congressional and Administrative News 7339 (Senate Report No. 93-1298). See also *id* at page 7213 (“Nondiscriminatory treatment would remain in effect only so long as a trade agreement remained in force between the United States and the country concerned.”).

⁸ Section 404(c) of the Trade Act of 1974 (19 U.S.C. 2434(c)).

assure that the United States would obtain benefits from such country reasonably comparable, although not necessarily of a similar nature, to those it accords.”⁹

Title IV does not require the publication of this determination, nor does it subject this determination to a formal system of Congressional approvals or disapprovals.

The U.S.-China Trade Agreement

The United States and China signed a Trade Agreement on July 7, 1979, which met all the statutory criteria and was approved by a joint resolution of Congress. The Agreement came into force on February 1, 1980, and remained in force for an initial term of three years. The Agreement provides that it will automatically be extended for successive terms of three years if neither Contracting Party notifies the other at least 30 days before the end of a term that it wishes to terminate the agreement at the close of that term. Neither the United States nor China has ever exercised its right to terminate the Agreement. The Agreement has been renewed automatically five times, the last renewal taking place on February 1, 1995.

Application of Title IV to Trade Relations with China

China is currently subject to a presidential waiver of the Jackson-Vanik emigration requirements that will expire on July 3, 1996. The President has formally recommended to Congress that the waiver be extended for an additional 12 months, which the Congress is currently considering. At this time, U.S.-China relations are in compliance with the Jackson-Vanik freedom-of-emigration requirements in Title IV.

Therefore, pursuant to section 404(b) of the Trade Act, the grant of MFN treatment to products from China is appropriate if the United States remains subject to the obligations in the Agreement with China. As noted, the Agreement was automatically renewed for a fifth three year term on February 1, 1995, and remains in effect by its own terms. The United States thus is subject to the obligations in the Agreement under international law. Because section 404(b) only speaks to U.S. obligations under the Agreement, the continued grant of MFN treatment to the products of China is consistent with Title IV. Failure to make the formal Presidential determination under section 405(b)(1) because of administrative error would have no effect on

⁹ 4 U.S. Code Congressional and Administrative News 7340 (Senate Report No. 93-1298). See also *id.* at page 7214 (“an agreement could be renewed for additional periods, each not more than three years, providing that a satisfactory balance of concessions in trade and services had been maintained and that U.S. reductions in trade barriers had been reciprocated by the other party.”); and Conference Report No. 93-1644, at 4 U.S.C.A.A.N 7392 (“any bilateral commercial agreement entered into by the President may be renewed if during the life of the agreement a satisfactory balance of concessions in trade and services (balance of trade concessions under the House version) was maintained.”).

our ability to extend MFN treatment to Chinese products.

Even assuming that a formal determination under section 405(b)(1) is necessary for the continued grant of MFN tariff treatment to Chinese products, and that the President did not issue such a determination prior to the 1995 renewal of the Agreement,¹⁰ questions as to the status of the Agreement and the grant of MFN would be addressed by the President's determination that a satisfactory balance of concessions in trade and services has been maintained during the life of the Agreement and that actual or foreseeable reductions in United States tariffs and nontariff barriers to trade resulting from multilateral negotiations are, and continuously have been, satisfactorily reciprocated by the People's Republic of China.¹¹ In this way, he would be clarifying that the section 405(b)(1) criteria have been met during the course of his Presidency.

Facts supporting such a presidential determination would include, by implication, the President's recommendation in 1994, 1995 and 1996 that MFN treatment continue to be extended to China through the extension of the related Jackson-Vanik waiver; the negotiation of an agreement on intellectual property rights immediately before and after February 1, 1995, that was ultimately reached through the threat of removal of the MFN treatment that was being extended to China at that time; the discussions in the context of the Asia Pacific Economic Cooperation forum, which were premised on the extension of MFN treatment to China and in which we sought further reductions in China's tariff rates and nontariff barriers; and the ongoing negotiation of China's accession to the World Trade Organization, in which we are also seeking reductions in China's tariff rates and nontariff barriers.

While time does not permit a complete review of the way in which renewal determinations have been carried out with respect to all Title IV agreements, there is at least one example of a confirmation subsequent to the renewal of the Agreement satisfying the section 405(b)(1) requirements. On October 2, 1987, President Reagan "reconfirmed" that the section 405(b)(1) criteria had been met with respect to China and, tacitly, that the February 1, 1986, renewal of the Agreement was appropriate, even though no formal section 405(b)(1) determination was issued at that time.¹²

¹⁰ While Title IV does not state when the presidential determination must be made, the legislative history would indicate that the determination must be made before the renewal takes place. See 4 U.S. Code Congressional and Administrative News 7340 (Senate Report No. 93-1298).

¹¹ I do not address here the situation where the President is willing to make a positive determination as to the section 405(b)(1) criteria today, but would not have been willing to make such a determination immediately prior to the date the Agreement was automatically renewed.

¹² See Proclamation 5718 (October 2, 1987), Implementation of an Orderly Marketing Agreement on Ammonium Paratungstate and Tungstic Acid, paragraph 5: "Since February 1,

Conclusion

Based on the above analysis, the continued grant of MFN treatment to the products of China is appropriate, particularly if the President believes that the section 405(b)(1) criteria are being, and have continuously been, met in the case of China, including immediately before the Agreement was automatically renewed on February 1, 1995. The President should reconfirm this determination as soon as possible.

1980, the United States and the PRC have had in effect a bilateral trade agreement under which I have determined, pursuant to section 405 of the Trade Act (19 U.S.C. 2435), a satisfactory balance of concessions has been maintained during the life of such agreement, and for which I reconfirm that actual or foreseeable reductions in U.S. tariffs and nontariff barriers to trade resulting from multilateral negotiations are, and continuously have been, satisfactorily reciprocated by the PRC."

MESSAGE CONFIRMATION

JUN-12-96 16:20

FAX NUMBER : 2024562215

NAME :

FAX NUMBER : 69280

PAGE : 16

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MODE : G3 STD

RESULTS : O.K

96 JUN 5 P3:54

SPECIAL SCHEDULING REQUESTS
HONORARY CHAIR, HONORARY PATRON, HONORARY MEMBERSHIP

Please return to Room 457

Today's Date: June 5, 1996

Date of Request: 3/14/96
Request for: POTUS
Type of Request: Honorary Chairman
Requestor Name: Mr. Harold Gracey
Title: Chief of Staff
Organization: The Secretary of Veterans Affairs
Washington,
Contact Tel. #: 202/273-4838
Event Date: 11/11/96
Event Description: 1996 Veterans Day National Committee
Notes: The President has served as Honorary Chairman of this event for the last three years. Per Kathi Whalen, it is acceptable to use the President's name on the event letterhead. Kitty Higgins supports this request.
Recommendations:

TS yes EL
(Unless otherwise noted, a yes answer will automatically generate a message).

Comments:



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

96 MA

MAR 14 1996

5/21/96 RCH
JCH
96 JUN 51 P3:54

MEMORANDUM TO: Kathryn Higgins
Secretary to the Cabinet

FROM: Harold F. Gracey *H F Gracey*
Chief of Staff

Subject: 1996 Veterans Day National Committee

It is our pleasure to extend to President Clinton the attached invitation to act as the Honorary Chairman of the 1996 Veterans Day National Committee. The Committee also requests permission to use President Clinton's name on its official stationery. This distinctive stationery is used by the Committee for all official Veterans Day correspondence. The President's endorsement provides greater visibility to the Nation's Veterans Day celebration and shows his commitment to our Nation's veterans. There are no responsibilities incumbent upon the President or any associated government agency.

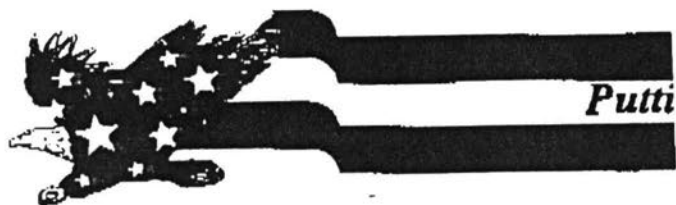
President Clinton has graciously accepted our request the past three years. A copy of the 1995 Veterans Day National Committee stationery is attached for your information.

If you have any questions, please call Heyward Bannister at 273-4838.

Thank you.

Attachment

Phil -
Y 21 This is what I
was calling about.
LeeAnn



MEMORANDUM FOR THE PRESIDENT

FROM: Kathryn Higgins
Secretary to the Cabinet

SUBJECT: Veterans Day National Committee

I. ACTION - FORCING EVENT:

Invitation by the Veterans Day National Committee for the President to be its 1996 Honorary Chairman and to use the President's name on the Committee's stationery.

II. BACKGROUND / ANALYSIS:

Each year the Veterans Day National Committee uses distinctive stationery to heighten visibility of the Veterans Day Ceremony at Arlington National Cemetery. The stationery is used for all Veterans Day National Committee official correspondence. It will be seen by government, business, education, and community leaders across the country. Inclusion of the President's name as Honorary Chairman on the Committee's stationery will provide greater visibility for Veterans Day and demonstrate the President's commitment to our Veteran population. There are no responsibilities incumbent upon the President in connection with this request.

III. RECOMMENDATION:

That the President be the Veterans Day National Committee Honorary Chairman and that he allow his name to be used on the Committee's stationery.

IV. DECISION:

_____ Approve _____ Approve as Amended _____ Reject
_____ No Action

Attachment (1995 Stationery)



VETERANS DAY

NOVEMBER 11, 1995



NATIONAL COMMITTEE

HONORARY CHAIRMAN
HON. WILLIAM J. CLINTON
President of the United States

CHAIRMAN
HON. JESSE BROWN
Secretary of Veterans Affairs

VICE CHAIR
HON. KATHY E. JURADO
Assistant Secretary for Public and
Intergovernmental Affairs

HONORARY MEMBERS
HON. WILLIAM PERRY
Secretary of Defense
HON. ALAN K. SIMPSON, Chairman,
Senate Committee on Veterans' Affairs
HON. JOHN D. ROCKEFELLER IV, Ranking Minority Member,
Senate Committee on Veterans' Affairs
HON. BOB STUMP, Chairman,
House Committee on Veterans' Affairs
HON. G.V. (SONNY) MONTGOMERY, Ranking Minority Member,
House Committee on Veterans' Affairs

MEMBERS
POLISH LEGION OF AMERICAN VETERANS
JEWISH WAR VETERANS OF THE USA
AMERICAN EX-PRISONERS OF WAR
CATHOLIC WAR VETERANS
VETERANS OF FOREIGN WARS
AMVETS
VIETNAM VETERANS OF AMERICA
BLINDED VETERANS ASSOCIATION
ARMY AND NAVY UNION, USA
NON-COMMISSIONED OFFICERS ASSOCIATION
THE AMERICAN LEGION
MILITARY ORDER OF THE PURPLE HEART
VETERANS OF WORLD WAR I OF THE USA
PEARL HARBOR SURVIVORS ASSOCIATION
MARINE CORPS LEAGUE
MILITARY CHAPLAINS ASSOCIATION OF THE USA
WOMEN'S ARMY CORPS VETERANS ASSOCIATION
PARALYZED VETERANS OF AMERICA
LEGION OF VALOR
MILITARY ORDER OF THE WORLD WARS
THE RETIRED ENLISTED ASSOCIATION
CONGRESSIONAL MEDAL OF HONOR SOCIETY
DISABLED AMERICAN VETERANS
THE RETIRED OFFICERS ASSOCIATION

ASSOCIATE MEMBERS
AMERICAN GOLD STAR MOTHERS
FLEET RESERVE ASSOCIATION
GOLD STAR WIVES OF AMERICA
REGULAR VETERANS ASSOCIATION
STATE DIRECTORS OF VETERANS AFFAIRS
UNITED SPANISH WAR VETERANS

DEPARTMENT OF VETERANS AFFAIRS, (80D), 810 VERMONT AVE., N.W., WASHINGTON, D.C. 20420

Area Code (202) 273-5735

LL CLINTON

cc: w/incoming
→ Peter Knight

CTS → Abscullum
No Malabo
unobtainable
Be

June 12, 1996

Robert E. Johnston
305 East Sixteenth
Little Rock, Arkansas 72202

Dear Robert:

Thanks for your great fax and for your offer to help our efforts yet again. I certainly need your assistance and have let Peter Knight know of your willingness to serve.

I'm feeling good though I'm not yet ready for any victory laps -- here or in T'bilisi. See you soon.

Sincerely,

Rin

*Mumie Reply
Toward Mr
After tonight*

Robert Johnston Little Rock, Arkansas 501.375.0752 Fax 501.375.1502

June 6, 1996

The Honorable Bill Clinton
White House
Washington, DC 20500-2000

fx 202-456-2883

Dear Mr. President:

CONGRATULATIONS!

Congratulations on:

1. Your physical shape. I join you in pleasure at your cholesterol, blood pressure, and above all, the treadmill results - 5.5 mph at a 20 per cent grade! Not very many 50 year olds can do that, much less given your responsibilities.
2. Your political shape. I share your pleasure at the poll ratings reported in today's *New York Times*, "Mr. Clinton continuing to display striking political resilience...enjoying...upturns in many areas..."

How can I help in this forthcoming election? I have done some work in each of your campaigns beginning in 1974 (although none quite as much hands-on as 1974 going door-to-door and handing out literature at supermarkets in Fort Smith). Please have a member of your campaign staff call me at the above number to let me know what I can do. (I have been intending to write volunteering my services but have been out of the country alternate months this year, mainly working in former Soviet Georgia helping them to set up a National Electric Regulatory Commission)

Hope to be able to jog with you again in Little Rock, Washington, or Kiev; perhaps we can add Tbilisi.

Best wishes.

Yours sincerely,



Robert Johnston

1613
2202

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 6-13

TO:

Nancy H.

FROM: Staff Secretary

I think it would
be inappropriate
& I'm sure the
President wasn't
speaking literally.
Indel

THE WHITE HOUSE
WASHINGTON

96 JUN 13 A 7:32

June 6, 1996

*Through Gogo
Seen*

*Should we
do anything?
Can we?*

Dear Ms. Hernreich,

During the President's speech at the USCG Academy he mentioned the Nuclear Proliferation Treaty. To which a singular young lady cheered and yelled with excitement. The President paused and said something to the effect of "Thank you, I'm not sure the average American understands the significance of this mile stone.....I wish I could give you a citation."

I believe the President was sincere in his remarks regarding the "citation". It so happened that a Coast Guard officer met the lady at the airport. He took her business card and faxed it to me today

Her name is Shana ("Shawna) Milkie. Her business address is attached. It reads: 17200 Southfield Road

Allen Park, MI 48101

Phone: (313) 322-6996

Very Respectfully,

[Signature]
JUNE E. RYAN

Lieutenant Commander, USCG

Citation



Shana Milkie

Product Design Engineer
Advanced Engine Design and
Powertrain Development
Engineering Department
Powertrain Operations Planning
and Engineering

APTEO Drop 47
17200 Southfield Road
Allen Park, MI 48101
Telephone: 313/322-6996
Fax: 313/322-9711
PROCES- SMILKIE

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 6-13

TO: ~~Sandy Berger~~
Andy ~~Sens~~

FROM: Staff Secretary

I would guess
we need to tread with
extraordinary caution here.
Zimmelt's idea of what
constitutes "combat" (i.e.
being "in the combat area")
is undoubtedly not shared by
large numbers of military persons.
In trying to honor Board, we
could, I would imagine, (over)

upset a lot of military people
whose "vs" came from true
combat. I'd personally
leave this one alone. President
did all that could have
been asked or expected
to honor Board.

Phil



E. R. ZUMWALT, JR.
ADMIRAL, U.S. NAVY (RET.)

*Through Gato
Sen*

May 29, 1996

The Honorable John Dalton
Secretary of the Navy
The Department of the Navy
The Pentagon Room 4E686
Washington, DC 20350-1000

96 JUN 12 AM 1:55

Dear Mr. Secretary:

As you know, I have stated publicly that, as Chief of Naval Operations, I encouraged those personnel who were awarded citations by fleet and theatre commanders during the Vietnam Conflict and whose medals were awarded for service in the combat area to wear Vs on their ribbons.

As you also know, there has been considerable uncertainty that has led to honest misunderstandings about the prerogative of wearing the Vs.

In view of these two facts and in order to remove any possible stigma from the memory of Admiral Mike Boorda, I strongly recommend that the V Device be authorized posthumously for the two citations in question in Admiral Boorda's case.

Sincerely,

ER Zumwalt

E. R. Zumwalt, Jr.
Admiral, USN (Ret.)

1000 Wilson Boulevard, Suite 3105
Arlington, VA 22209-3901

Tel: (703) 527-5380
Fax: (703) 528-5795

cc: ✓ The President of the United States
Secretary of Defense
Acting Chief of Naval Operations

Use
need
to reply to
letter

Dunn
letter

copy per R.C.

THE WHITE HOUSE
WASHINGTON

June 12, 1996

Dr. James Dunn
Executive Director
Baptist Joint Committee
on Public Affairs
200 Maryland Avenue, N.E.
Washington, D.C. 20002

Dear James:

Thanks so much for your letter and for passing along the letter signed by the many Indian Christian leaders. I've shared the letter with my staff at the National Security Council for their consideration.

It was nice to see you at the recent bill signing ceremony, and I appreciate your continuing support and counsel.

Sincerely,

Bill Clinton

200 Maryland Avenue, N.E., Washington, D.C. 20002-5797

96 MAY 13 12:35 202-544-4225 • FAX: 202-544-2094

CompuServe: 70420,54 • Internet: Baptist_Joint_Committee.parti @ Ecunet.org

JAMES M. DUNN
Executive Director

April 30, 1996

The President
The White House
1600 Pennsylvania Avenue
Washington, DC 20500-2000

Dear Mr. President:

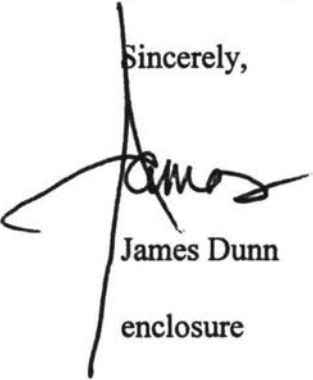
It was good to see you and greet you briefly at the signing ceremony for the anti-terrorism legislation. Our bond as Baptist believers and your openness to the Lord's leadership in all that you do is extremely gratifying to me and important to our nation.

My time in India in January, the elections that are underway there and the continuing tension between India and Pakistan present the occasion for this letter. A group of Indian Christian leaders have sent it to me with the urgent request that I pass it along to you.

While the BJC claims no expertise in such matters, a cursory investigation with those who do commends the content of this appeal, and makes me glad to pass it along to you.

As always, we stand ready to be of any help to you that we can, both personally and professionally.

Sincerely,



James Dunn

enclosure

Centre for Contemporary Christianity
in collaboration with
India Gospel League

25 March 1996

Mr Bill Clinton,
The President, United States of America,
White House, Washington DC, USA

Respected and Dear President,

We, as a group of concerned Evangelical Christians from Bangalore, India, met in a Seminar on the 23rd of March 1996 to discuss various issues faced by our people. We noted a problem relating to US involvement and hence, we address this letter to you based on our concern for the deteriorating situation in our Indian sub-continent.

We have appreciated the role of the United States of America and you as its President in helping the peace process in many parts of the world, especially the recent agreement between the people of Israel and the Palestinians and the effort to contain terrorism. We appreciate USA's role in World Trade and in working toward a free-market economy. We also appreciate its leadership in the UN and other areas. We believe God has especially called for peace and for "beating the swords into plowshares" (Isaiah.2:4) and for peaceful ventures rather than war.

As evangelical Christians in India, we are concerned for the integration of our country and work to enable the growth of communal harmony. The 25 million Christians in India are known for their self-sacrifice and the work of their service organizations like hospitals, schools and social-uplift programs for the deprived and the marginalised groups. We are called to be peace-makers (Matthew 5:9) and are concerned that events within India and in our neighbours has only helped to see the wedge being driven deeper between the Hindu and Muslim communities and therefore their finding further impetus for communal disharmony. During Mrs. Hilary Clinton's visit, she would have witnessed the situations of disharmony, poverty and human indignity in our sub-continent.

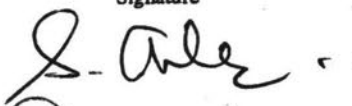
We are surprised and hurt by the newspaper reports that your administration is authorising the sale of \$368 millions worth of deadly weapons to Pakistan. We would like to point out that such a decision will only lead to :

- further escalation of tension in the sub-continent;
- a growth of defence productions and an arms race;
- the possibility of war between India and Pakistan which will benefit neither nation;
- the possibility of such arms being used by the army against the citizens of the country itself;
- the allotment of a large percentage of the national budgets of each nation for defence purpose instead of development and eradication of poverty;
- attention being diverted from the problem faced locally by each nation;
- encouraging terrorism in trouble-torn areas of each nation;
- the defeat of attempts by SAARC and other regional groups for peace;
- the subverting of local peace processes like the Simla Agreement;
- limiting of investment in human development such as child care, water resources, food production, needs of women, ecological concerns etc.

Therefore, we would request you to reconsider your decision to go ahead with the arms sale to Pakistan. We request you to stop selling arms to Pakistan; and instead to get involved in efforts that will reinforce the peace process and reconciliation in the sub-continent.

Thanking you in anticipation,

Yours Sincerely

Number	Name	Address	Signature
1.	Dr. Siga Arles	Director, Centre For Contemporary Christianity, 63 Millers Road, Bangalore 560046	
2.	David K Dass	Director, India Gospel League, PO Box No.2486, Bangalore 560 024	

Number	Name	Address	Signature
3.	Peter Pothen,	Asst. Director, TAFTEE, 5 Munige Layout, Maruthi Sevanagar, Bangalore 560033	Peter S. C. Pothen
4.	Thomas Swaroop	Literacy Coordinator, EFICOR, 12/A, Osborne Road, Bangalore 560042	Thomas Swaroop
5.	Rev. J Soundera Rajan	Presbyter, Church of South India Diocesan Office, Mission Compound, Bangalore 560027	J Soundera Rajan
6.	Devanand Samuel	Evangelism Coordinator, KEA 53/108 Gospel Street, St Thomas Town, Bangalore 84	M. Devanand Samuel
7.	Richard Jacob	Promotions Coordinator, KEA, 53/108 Gospel Street, St Thomas Town, Bangalore 84	Richard Jacob
8.	Dr. P. Augustine	Lecturer, SAIACS, Kothanur, Bangalore 560077	P. Augustine
9.	Rev. Hosea Mathew	Dean, TAFTEE, PO Box 520, Bangalore 560005	
10.	Ravi David	Principal, Webster School, 934 Banashankari I Stage, Bangalore-50	
11.	Jayaraj Dasan	Training Coordinator, OM, Logos Bhavan, Secunderabad.	
12.	Rev. Chris Gnanakan	Pastor, Banaswadi Bible Church, Bangalore 560043	
13.	Rev. M. Jai Paul	Pastor, Living Gospel Ministries, Bangalore-84	
14.	P. Sethu	Director, Indian Hilfe, 3 First Cross, Mission Road, Bangalore 27	P. Sethu
15.	Rev. Ivan Satyavrata	Academic Dean, Southern Asia Bible College Kothanur, Bangalore 77	
16.	Rev Dr Jones Muthunayagam	Old Testament Professor, United Theological College, 63 Millers Road Bangalore 560046	
17.	Jose John,	India Campus Crusade For Christ, Bangalore 560084	Jose
18.	Rev Thomas Ninan,	Coordinator, Gospel & Culture Study, SATHRI, 63 Millers Road, Bangalore 560046	
19.	M.H. Theophilus,	Baptist Hospital, Hebbal, Bangalore 24.	M.H. Theophilus.
20.	Rev. N.J. Samson,	Pastor, Baptist Church, Chinnappa Garden, Bangalore	
21.	Anandakumar Jogul,	Operation Mobilization, Bangalore 560084	

From the Desk of
JAMES DUNN

Mr. President:

Someone of the "powers that
be" might have time to
read this background.

It's part of our
"Cassidy investigation."

Thanks, James

SOME THOUGHTS ON U.S.-INDIAN RELATIONS

[Remarks prepared for a civic group in Charlotte in 1994]

In an ideal world, all issues are resolved with little difficulty since in an ideal world issues themselves have no rough edges, no unclear angles, no vague interpretive language. Though symbolic, language itself is clear in an ideal world and does not need to offer itself to interpretation. Unfortunately, we do not live in an ideal world in which governments are honest with each other or with themselves and the language used is not always suitable to an appropriate or ethical resolution of an issue. Moreover, in our real, often cynical, world of political states "the best laid plans..." of legislators and other government officials do not work themselves out in ways acceptable to each other.

The Pressler Amendment to the Foreign Assistance Act Section 620E(e) 1985 is one such piece of legislation that establishes a strong ethical position on nuclear non-proliferation in South Asia and suggests the United States act as an arbiter of nuclear stasis in Pakistan and, ideally, the eventual denuclearization of South Asia. I support such efforts, for first-strike nuclear war in South Asia is more likely to originate with Pakistan's military "kitchen cabinet" than with India's civilian government. Like others with high ethical principles I do not care to see the nuclear "rabbit" regenerate itself uncontrollably--in fact, I would prefer that the world develop a unified and concerted effort at down-sizing to the point of obliterating nuclear weaponry. Given the nature of the world, human beings and governmental proprietary interests such a preference is wishful thinking. No evidence exists that since the initial Pressler Amendment passed in 1985 Pakistan has stopped or downsized its nuclear development. After nine years of the amendment, one must conclude that the threat of withholding American arms shipments like the F-16 fighter plane is not enough of a deterrent to Pakistan.

The facts are: (1) both India and Pakistan have the capability of producing nuclear energy, a by product of which is enriched plutonium, a major necessary ingredient for nuclear weaponry, including the most powerful nuclear explosives. (2) India has developed and

-2-

exploded a nuclear device; Pakistan may have, but does have the ability to produce them and probably has done so. (3) The United States Government cannot verify that the contrary is true. (4) Though concrete evidence may not be available to confirm this scenario, Pakistan's nuclear capability not only jeopardizes peace in South Asia but raises the specter of what has been referred to as the "Islamic Bomb", and the possibility that other terrorist states in North Africa and Western Asia may purchase nuclear devices and develop non-peaceful nuclear technology from Pakistan for use elsewhere in the world--including the U. S.

The Pressler Amendment's intention to stop Pakistan's development of nuclear weaponry is commendable, and the intentionality of the amendment bodes well for a future into which I wish for my two young boys to grow--free of the perpetual threat of a nuclear holocaust engulfing our world. However, over the past nine years since the amendment became law neither Pakistan nor India nor other world powers or smaller nations with nuclear capability have demonstrated conclusively their willingness to construct such a world by destroying their own nuclear arsenal. Some positive strides have been made by the United States and Russia while smaller nations move ahead with nuclear programs that can produce nuclear weaponry.

Since the Pressler amendment has not produced the desired and commendable effect in reducing tensions in South Asia, what can be done to bring some sanity to the expanding nuclear theater in South Asia? As someone not privy to sensitive documents or foreign policy discussions at decision-making levels, I can only suggest several tentative moves that may begin to bring the issues to a more constructive level of discussion between India, the U.S. and Pakistan while at the same time diminishing the confrontational diplomatic stance that, apparently has created problems recently, both between India and Pakistan and between each of these countries and the U. S.

A. Conditional sale to Pakistan of F-16 aircraft.

-3-

Since Pakistan has demonstrated no serious intention to diminish their nuclear program, then several actions may be taken by the U. S. as conditions for the delivery of promised aircraft.

*The U. S. should insure through diplomatic means that Pakistan promise noninterference in Kashmir, Punjab, etc.; bring to the conference table treaties agreeing to this and establishing verifiable means for monitoring non-interference.

*The U. S. should have Pakistan agree to assist India bring to justice perpetrators of bombings in India in the aftermath of the December 6, 1992 destruction of the masjid in Ayodhya. Though Pakistan's ISI may be a major--if not the major--culprit, Pakistan's offer of cooperation with India on this issue will diffuse some of the conflict between the two nations and the potential for a nuclear "accident".

*More significant than any of these, however, may be the role the U. S. can play in strengthening the civilian government of Pakistan. Though Mrs. Bhutto tries to play the political gamesmanship of her father and other Pakistani political figures since Jinnah's time, the need in Pakistan always has been for a statesperson to challenge the nation and encourage stronger nation-building without depending on the military for support. Mrs. Bhutto's power as a female head of state in a Muslim nation creates a serious problem culturally, however it is not insurmountable. We only need look at India's recent political history to understand that in South Asia a political "Mother of the Nation" with the aura of a national and international statesperson can succeed. Mrs. Gandhi realized that she must portray herself not only as a politician and the inheritor of a family political dynasty, but that she must portray herself both as a national and world statesperson and implicitly as a "National Mother" figure. For culturally, both Indians and Pakistanis perceive the mother in the home as the reconciler, the conflict manager and the protector of the whole family. Since she has her father's political genes, Mrs. Bhutto has played the political game too conservatively to this point and the U. S. needs to encourage her to play a more expansive role. This not only will strengthen her hand in the popular imagination, it will give her added political strength against a too powerful military and reduce the threat from the political ambitions of her mother and brother.

Strengthening her place in Pakistan, and thereby enhancing civilian control of Pakistan is a much more significant long-term solution than believing that mere "withholding candy from a baby" will succeed ultimately. The baby will continue to cry as long as the "security" is only dangled before it.

B. Conditional sale to India of parts to refurbish their MIG and other broken or outdated Air Force equipment and provide India with additional technological and scientific resources, etc.

Since India is so concerned about the F-16 sale to Pakistan--a sale almost ten years old, the U. S. needs to broker with Pakistan the first two conditions in A: non-interference and justice for international terrorist activity in India. Once that is underway, the U. S. should also approach India with additional incentives to placate the diplomatic problems which now exist between our two countries.

*The U. S. should agree to soften its concerns over the human rights issues in Kashmir, realize that international terrorism and mercenary activity in Kashmir has exacerbated the problems in Kashmir as much as the Indian army has, assist in brokering a resolution of the Kashmir issue that will recognize the Hurriyat Conference and use that leadership to develop a fair and cohesive policy of self-determination for the Kashmir people--Hindu, Muslim and Buddhist--within the Indian republic; this will entail a discussion of the promise made at the time of accession, promises made in the Simla Accord, etc. though the reality of history may make the accession issue a moot point (or does it?)

*In a similar vein, the U. S. should withhold criticism of problems in India that are moving toward at least a partial solution, especially issues related to separatist movements in the Punjab and elsewhere. Indian regional separatist issues not infrequently arise from dissatisfactions that have their roots in anti-nationalistic, ethnic, linguistic, religious and social issues endemic to India's multicultural patchwork. If encouraged either internally or externally, other dissatisfied groups also find solace in their own desires for separation from

-5-

the Indian Republic and violence breaks out somewhere else in the country. In such cases the best response for a U. S. President and the Congress is to take the position of non-interference in the internal affairs of a democracy that is moving toward resolving issues in the Punjab, though those issues may not be resolved as quickly, as forthrightly or as thoroughly as we may wish. Again, the ideal world does not exist, but encouragement of progress made and offers of either official or unofficial mediation based on a thorough understanding of the issues will work for the national interest of both the U. S. and India in the long term.

*The U. S. should also agree to discuss seriously--and at first privately--India's real concerns with other issues including their signing of the nuclear non-proliferation treaty, visa-related issues, etc.

*The U. S. should discuss the sale to India of an equivalent number of F-16 fighter jets or offer them technical advice on India's development of stealth or other aircraft which they have already in prototype form. This only prolongs the arms race in South Asia, but India's Air Force really does not want the Russian MIG 29 which it knows is less effective than the F-16. At least with the sale of F-16s to India, that country also knows that maintenance of the aircraft is dependent on good relations with the U. S.

*The U. S. should strengthen its educational exchanges with India through the Fulbright-Hays programs in order to encourage greater appreciation for and acceptance of U. S. models for education, culture, political and social issues, etc. In addition, the U. S. should expand its cultural exchanges between India and the U.S. in order to enhance mutual understanding and appreciation between the two countries. Such relatively minimal exchanges that have occurred over the past half-century have not done enough to break down barriers of misunderstanding among citizens both in India and the U. S. only because the U. S. has invested relatively little in these programs compared with investments in military defenses and other more aggressive "diplomatic" solutions.

I began by suggesting that since we do not live in an ideal world, then we must manage to live more pragmatically in a world where our ethics are not compromised. Even more, our

ethics must become the impetus for resolving issues in ways that recognize and respect national sovereignty while trying to project in sensitive ways our own enlightened national self-interest. That is possible, but only if those who make policy and enact it understand and appreciate the larger historical and cultural picture into which such policies must be placed. All too often U. S.-India relations have not been constructed on the basis of this larger picture. It is to be hoped that someday those who conduct foreign policy between the two countries will recognize the wider historical and cultural dimensions of their mutual diplomatic exchanges and formulate international policies complementary to these dimensions while not disregarding "national self-interest" as well. Until this occurs, both the U. S., India and Pakistan will all contribute to the whirlpool that is dragging South Asia closer and closer to a nuclear brinkmanship vortex that can only explode and precipitate international chaos.

Dan White, Ph.D.
University of North
Carolina

Dept. of Religious Studies
704/547-4598