Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. note	To Mrs. Hernreich (1 page)	08/05/1996	Personal Misfile
001b. letter	To Robert Shamansky (1 page)	10/18/1991	Personal Misfile

COLLECTION:

Clinton Presidential Records
Staff Secretary
Todd Stern
OA/Box Number: 8117

FOLDER TITLE:

Chron Files: Thursday, August 8, 1996

2019-0774-S
rs3330

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

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

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

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THE WHITE HOUSE

WASHINGTON

February 8, 1993

Mr. Robert N. Shamansky
560 South Third Street
Columbus, Ohio 43215

Dear Mr. Shamansky:

The President and First Lady value your friendship and want to stay in touch with you.

To ensure that any correspondence from you reaches them immediately, please put the following zip code on your letters: 20500-2000. The last four digits will alert the White House mail room to send your letter directly to the Clintons.

Hearing from their friends on a regular basis is important to the Clintons and adding the extra four digits to the zip code will help get your mail to them quickly.

Sincerely,

Nancy Hernreich

Nancy Hernreich
Deputy Assistant to the President

PRESIDENTIAL LEGAL EXPENSE TRUST
1225 19th Street, N.W., Suite 500 · Washington, D.C. 20036
Telephone (202) 463-8423 · Telefax (202) 463-8426

February 28, 1995

Mr. Robert N. Shamansky
88 East Broad Street, Suite 900
Columbus, OH 43215

Dear Mr. Shamansky:

Thank you for your recent contribution of $1000.00 to the Presidential Legal Expense Trust. On behalf of our fellow Trustees, we express our appreciation for your generosity and support.

Contributions to the Trust will be used to pay legal expenses incurred by President and Mrs. Clinton in connection with their defense of matters relating to the period preceding the commencement of the Clinton Administration. Payment of these expenses by the Trust will allow the President to remain focused on his responsibilities as Chief Executive of our nation.

President and Mrs. Clinton have asked that we convey their gratitude for your gift.

As we impart our appreciation to you, we also extend our best wishes.

Sincerely,

(Rev.) Theodore M. Hesburgh, C.S.C.
Co-Chair

Nicholas deB. Katzenbach
Co-Chair

FROM OVAL - 8/7
To Dorskind
for reply?
✓ yes (Coordinate with NSC)
— NO

MEMORANDUM

To: President Bill Clinton

From: Mark Grobmyer

Date: July 29, 1996

Re: Personal Views Concerning the U.S. Fuel & Security Project

---

I wanted to give you my personal thoughts regarding the U.S. Fuel & Security Project which has recently received some front page press coverage in the *Arkansas Democrat Gazette* which I am sure you have seen.

As you may recall, this project involves the potential construction of a $700 million steel forge in Arkansas that could eventually employ approximately 2,000 people. The forge would manufacture 16 inch thick steel containers that power plants would use to store their spent fuel rods. About 1,000 containers per year would be manufactured and would sell for approximately $1 million a piece, and about 80% would be exports from the U.S. This is why I originally became interested in the project. Arkansas was chosen as the site (either the Little Rock or Helena slackwater harbor) because of the success of the Nucor steel operation, which, as you know, is the most productive in the world.

Recently the project has potentially become much more important because of an interesting national security aspect. As a part of their business plan, U.S. Fuel & Security desires to also enter into the business of decommissioning old reactors and fabricating fuel which led to discussions with the Russian Ministry of Atomics, MinAtom, which could be a potential partner in the decommissioning and fuel fabrication venture along with U.S. firms such as Westinghouse.

There have been numerous discussions and correspondence between the Russians and U.S. Fuel & Security representatives such as Retired Admiral Dan Murphy and former Secretary of State James Baker. These discussions led to the point where the Russians indicated that if they could become involved in a comprehensive fuel leasing business with U.S. Fuel & Security, they may not be able to contribute equity, however, they would agree to undertakings which would be valuable to America. Such undertakings would include cessation of sales of reactors to countries such as Iran and an agreement to store their plutonium and excess fissile material on a geographically "neutral" site, even if that site was U.S. territory. Such sites discussed include a Pacific atoll, such as the privately owned Palmyra Island or Wake Island.

In other words, if a storage facility for spent fuel was developed along with the fuel leasing business, and if the Russians were made a partner in the venture, they would agree that they would undertake significant non-proliferation steps and store their excess plutonium and fissile material on the U.S. territory, which would keep it away from any potential terrorists. This possibility has excited several in the non-proliferation community such as Spurgeon Keeney, Frank Von Hipple and Paul Levanthal.

As indicated, former Secretary of State James Baker has been corresponding with Minister Viktor Mikhailov, the Director of MinAtom in Russia. Mr. Mikhailov has sent letters and signed Memorandums of Understanding indicating that he is very interested in this project and U.S. Fuel & Security believes he orally confirmed this to Secretary of Energy O'Leary in Moscow last week.

A number of your advisors and administration officials have been kept informed of these activities and I thought it might be helpful for me to summarize the information some of them have relayed.

In England, Ambassador Crowe has discussed this matter with U.S. Fuel & Security because of his national security background and his particular expertise related to dealing with the Russians and his knowledge of the Pacific due to his previous command of the Pacific Fleet. Admiral Crowe found this proposal to be quite interesting. He referred to it as a "clever idea" and felt it had much promise. The Chairman of U.S. Fuel & Security, Admiral Dan Murphy, is an old friend of Admiral Crowe. Admiral Crowe's observations are especially interesting because of his background and because of his support of you. You may wish to give Admiral Crowe a call about this to seek out his thoughts and opinions.

Mary Good at the Commerce Department has the type of background that is particularly interesting with respect to this project. Mary Good's scientific background gives her specific expertise in the area of nuclear fuel. It is U.S. Fuel's impression that Mary Good was enthusiastic about this project and felt it had a tremendous amount of potential.

Katie McGinty had some interesting observations concerning this project from and environmental perspective. Katie thought the use of a Pacific atoll as a storage site for U.S. and Russian fissile material might offer a very interesting alternative to the problem of bringing research fuel back from other countries that is currently planned for storage in Idaho. It seems Katie was very interested in the U.S. Fuel & Security proposal.

Bob East is Chairman of the Arkansas Nature Conservancy and he is a very big backer of the project. It is my understanding, however, that Senator Akaka from Hawaii is opposed to the project because he sees the project as an anti-environmental "waste dump" in the middle of the Pacific. However, Bob East, Mary Good, Katie McGinty and others understand that any plutonium or fissile material that is stored on the island would be contained within the 16 inch thick steel containers, then welded shut and that appropriate environmental and safety concerns would be addressed. Also, the project involves the creation of substantial Pacific environmental and economic development trust funds to support Pacific environmental and economic projects.

Black & Veatch and Brown & Root as well as other engineers and contractors are confident that they can construct a suitable facility to hold the containers on the atoll, that it would be acceptable to the NRC, and in no way would the site be a "waste dump".

Strobe Talbott, Bob Boorstein at the State Department and Mike Gauldin at the Interior Department also found the project very interesting, assuming appropriate safety and environmental safeguards would be included in the project. (See letter from Strobe Talbott attached).

Howard Canter, a career employee at the Energy Department who handles discussions with Russians related to nuclear weapons and other disposal issues found the project quite interesting.

A number of Vice President Gore's staff have been briefed on the project and they apparently also find it quite interesting. These persons include Linda Lance who deals with nuclear waste issues as well as Leon Feurth.

Skip Johns in the Office of Science & Technology Policy who has a background in nuclear issues has also found the project quite interesting.

Literally dozens of officials not mentioned in this memo have also received information about the project. So far, more than 9 out of 10 have made very positive comments about the project and the remaining seem to also find the project interesting, if they can be convinced the Russians would make the commitments that U.S. Fuel & Security believes they would make and if appropriate environmental and safety concerns are addressed.

There have even been two formal written studies that seem to indicate that the U.S. Fuel & Security proposal would be a very good idea. The first was an April, 1996 study released by the Rand Corporation for the Department of Energy which suggested that there should be created an international storage site to sequester these materials, and suggested among other alternatives, a Pacific atoll. A month ago, former FBI and CIA Director William Webster and a blue ribbon committee released a report pointing out the potential of nuclear terrorism suggesting there needed to be better ways to secure nuclear material from terrorists. Of course, many feel the atoll presents the ideal secure environment for such materials.

Several weeks ago, before recent developments involving the Russians, I discussed the matter with Nancy Soderberg and she indicated that some at the National Security Council had some reservations about the project. Bruce MacDonald at the

Office of Science & Technology Policy, International Division, and Ken Fairfax at the National Security Council initially had concerns regarding whether or not the Russians would actually follow through with their agreement to participate in the project by limiting their sale of reactors and storing their plutonium and excess fissile materials. With the writings that have been put forth by Mr. Mikhailov concerning the matter and his recent comments to Secretary O'Leary, it is likely that it is now more clear that many believe that there is now a serious desire among the Russians to securely store this material, even on U.S. territory. Of course such an agreement on the part of Russia could be made a condition of any final completion of the project.

There appears to be significant bipartisan interest in the proposal on capitol hill. For example, U.S. Fuel & Security executives believe that the project is very interesting to Senator Dale Bumpers, Senator David Pryor, Senator Trent Lott and Senator Domenici. They have all made very positive comments concerning the project.

Conclusion

As the world becomes more concerned about the prospect of nuclear terrorism and related "leakage" of plutonium and fissile materials, the U.S. and the world would likely feel much safer if they knew this type of material was under "lock & key' on U.S. territory in a well guarded facility that happens to be an uninhabited island which is not a part of any of the fifty states. It appears satisfactory engineering issues can be addressed to assure the safe storage of containers for hundreds of years.

While there are a lot of details to work out, if U.S. Fuel & Security knew that you and your administration were interested in the project proceeding, they would continue their efforts to bring the project to a successful conclusion. The possibility of Russians storing their plutonium and excess fissile materials on U.S. territory and voluntarily limiting the sale of nuclear technology abroad, is indeed a remarkable breakthrough only made possible by growing Russian interest in privatization and capitalism. They believe they can make much more money by being involved in the worldwide fuel leasing and reactor decommissioning business than they can with their existing activities and thus appear to be willing to take action which would have been unheard of only a couple of years ago.

If your administration can utilize this project to create a breakthrough in keeping dangerous materials from the hands of terrorists, then surely this would be a major achievement for your administration. Your leadership can perhaps make this happen. If you do not feel this is (or with certain conditions could be) a good project, I would appreciate your letting me know.

MWG/jl
cc: Mack McLarty
Tony Lake

BENESCH
FRIEDLANDER
COPLAN
& ARONOFF
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Columbus, Ohio 43215-3506
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Writer's Direct Dial Number
(614) 223-9326

Staff Sec

AUG 8 P12:13

8/8

August 5, 1996

TO Darskind for reply
✓ yes
— No

Ms. Nancy Hernreich
Deputy Assistant to the President
Director of Oval Office Operations
First Floor, West Wing
White House
Washington, D. C. 20502

Dear Mr. Hernreich:

I broached the subject of this letter in a conversation with the President at Renaissance Weekend. (My friend Carol Schwärtz, a member of the President's Campaign Finance Committee from Boston, and I, a member of the National Finance Council, have been attending this event for the past ten years.) He asked me to write to you and Ms. Hernreich about it.

The discussion I had with the President about this subject was essentially the same one I had with my Congressional classmate Ron Wyden at the party at the New York Sheraton after the Democratic National Convention in 1992. That conversation led to Ron's asking then SEC Chairman Richard Breeden certain questions, the answers to which fueled the subsequent public discussion which discussion continues to this day as shown by the print enclosures accompanying this letter as well as the video tape from ABC News' PrimeTime of February 14, 1996.

The enclosed copy of a full page editorial from the January, 1994 issue of Money magazine (Exhibit 1) is the most succinct way I know to introduce the subject to you. The reasons for my sending this letter now rather than earlier are as follows in reverse chronological order:

1. The telephone call I received from Commissioner Wallman of the SEC on Tuesday, July 30 informing me that my first two major proposals to the SEC to correct the abusive practices inherent in the situations described in the various enclosures were about to emerge from the SEC for comment by the interested public. Steve congratulated me for my initiative in this matter, and I thanked him for his vital contribution in moving the proposals through the bureaucracy at the SEC.

2. The enclosed piece in the Friday, June 14, 1996 issue of The Wall Street Journal. (Exhibit 2)

3. The enclosed three-part series in The Boston Globe by Dan Golden appeared on April 30, May 1, and May 2 followed by another related piece on May 8. (Exhibit 3) The Globe series concentrated on unclaimed or escheated property at the state level. However, as seen from the Money magazine editorial, the billions "lost" at the Federal level precede escheats to the states, and the remedy lies to a significant degree with the SEC and the Federal government. (Dan Golden was interviewed on National Public Radio about his series.)

4. ABC News' PrimeTime had me discuss this subject on the lead segment of its February 14, 1996 telecast. (A tape of that piece accompanies this letter as Exhibit 4.) Dan Golden began his series after viewing this telecast.

5. Ron Wyden's election to the Senate - with an assist from the President - occurred in January. Ron and Steve Jenning of his staff have been essential in bringing this subject to the public's attention. (See enclosed copy of Ron's Subcommittee's Report. Exhibit 5.)

Unlike Bob Dole, who was never the chief executive of a state government, President Clinton was a governor for ten years and knows the problems facing state governments intimately. Unfortunately, all the public seems to hear about his tenure as a governor these days is Whitewater, but the fact is that President Clinton can honestly say that as a governor he learned that ordinary citizens - disproportionately older people - lose track of funds belonging to them. Now as President he can help those who have lost track of their funds at the Federal level with the states free to copy his Federal lead, <u>if they wish</u>.

Enclosed is a copy of five proposals I have submitted to the SEC, which would ideally correct the abuses over which the Federal government has jurisdiction. (Exhibit 6) The first two can be done administratively by the SEC with the balance perhaps requiring legislation. This is where I envision President Clinton can play his leadership role in reuniting millions of security owners with the billions owed to them, but held by others. Please understand that these billions already belong to these investors, but are being withheld from them. Even the holders of these funds cannot complain, because the funds in the form of dividends and interest ($10 billion dollars according to the SEC) are "held" for delivery to the owners. No tax dollars - either at the Federal or state levels-are involved. (The return of these funds would certainly have a stimulative effect on the economy, because they belong overwhelmingly to individuals rather than corporations.)

I have contributed some thousands of dollars to the 1996 election effort, but what that money can buy pales into insignificance when contrasted with what this issue of re-uniting people with their money can do when the effort is led by President Clinton and Vice President Gore in the 1996 campaign.

Please understand that Wall Street already has acknowledged that the most important of my five proposals are needed. The Securities Transfer Association ("STA") and the Corporate Transfer Agents Association ("CTA") have both recommended that their members "voluntarily" adopt these proposals, while the American Society of Corporate Secretaries ("ASCS") is "considering" them. (See enclosures from the STA and the CTA and the piece in the Securities Industry Daily about the ASCS. Exhibits 7, 8, and 9.) They know the changes are coming, because they have stopped denying the existence of this multi-billion dollar problem. Of course, their ploy is to say that these procedures should be "voluntary", which would mean that nothing would change, because it has been "voluntary" up till now.

That this is a matter of real interest to the public may be seen from the following:

1. The only respect I have for William Safire is for his skill as a partisan propagandist. He is extremely adept at sound-bite phrase-making, e.g., his March 11, 1996 "Main Street is Wall Street." The New York Times reported on March 9 that a 1992 NYSE study estimated that households earning less than "...$100,000 a year owned slightly more than half of all shares held by individuals. More than 51 million owned stock then (...up from) 12 million in 1959. And 31 percent of American households owned mutual funds, a mutual fund industry group estimated last year, up from fewer than 10 percent two decades ago."

2. The New York Times on March 22, 1996 wrote "For the first time since the early 1970's, the value of investments in stocks far surpassed the total value of Americans' equity in their homes."

3. The New York Stock Exchange during the business week of July 15-19, 1996, traded a record of almost 2.5 billion shares, and on July 16, 1996 it traded 682,980,000 shares. The volume traded on the NASDAQ was 877,329,000 shares on that same day for a total for those two exchanges of over 1.5 billion shares.

4. The recent discussion about investing Social Security funds in market securities.

5. The only override by the Congress of a veto by President Clinton of a bill restricting the right of shareholders to sue corporations which misrepresent their prospects lays a good groundwork for President Clinton again to demonstrate his concern for the individual investor, who is overwhelming middle class and disproportionately older if he is a "lost" security owner.

Significantly, the subject of this letter affects every securities holder, individual or otherwise, even though he or she may be totally unaware - at the present time - of the kind of mistreatment his or her money is subject to.

The securities transfer industry's standard practice is never to look up the address of any securities owner whose check has been returned to the issuer itself or to its transfer agent. The net effect of this is that the issuer or its agent enjoys an interest-free loan of the money, unbeknownst to the owner. The securities owner gets no interest on his money, only the principal, if he is lucky. The issuer or its agent continues to enjoy this interest-free loan until it must turn the money over to the state of the owner's "last known address on the sender's books." That address has already been proven to be bad, but the issuer or its agent keeps on using it anyway. The issuer or its agent does not look for a current address using the securities owner's social security number, which social security number the issuer or its agent already has in its possession. (The three big databases can look up a current address, if supplied with a social security number.)

Fewer than twenty big banks - often through subsidiaries - do 80% of the securities transfer business as agents for corporations, the issuers. If anyone owes any of these banks money, these parent banks can find their debtors almost immediately through the databases of the three big credit bureaus, e.g., TRW, Equifax, and TransUnion, with TransUnion alone having 300 million entries. The databases have the social security numbers of their listees, and they can locate people through their social security numbers, which means that 60% to 80% of securities owners can be easily and cheaply found, e.g., for well less than $1.00 per inquiry.

We are talking big money here. The SEC under Chairman Richard Breeden estimated in 1993 the value of the underlying securities to the undelivered dividends and interest to be $10 billion dollars. (See copy of Chairman Breeden's letter dated February 22, 1993, to Ron Wyden. Exhibit 10.) Thus, the "lost" dividends and interest on those securities could run up to $500 million dollars per year.

Please understand that nothing I am discussing or proposing changes any state laws. The states will continue to regulate their own securities laws and administer their own escheat and unclaimed property laws. They, the individual states, would, however, greatly benefit their own citizens if they would emulate the steps the President would propose. Thus, the President would be setting an example at the Federal level which the states could emulate on their own if they wished. (Please note the May 1 Boston Globe headline: "Washington holds billions in unclaimed property, yet has no system to identify it or contact owners.")

The National Association of Unclaimed Property Administrators (NAUPA), an association of state functionaries who administer the states' escheat/unclaimed property operations, estimated that the states recovered $2 billion in fiscal 1994. (See chart from the February 21, 1996 issue of Securities Industry Daily. Exhibit 11.) State records for finding the owners range from posting on the Internet down to very poor, because many states, e.g., Ohio, have historically treated this money as merely additional income streams and use methods from the 19th century like publishing lists at county fairs to notify owners of escheated/unclaimed property that the state has their money.

However, while drafting this letter I have learned that NAUPA in cooperation with the National Association of State Treasurers ("NAST") has begun to investigate the creation of an Internet register to carry all the states' inventory of escheated/unclaimed property. I have been urging the SEC for three years to do the same for the "lost" shareholders under discussion in this letter, but as with everything else about this subject, which the SEC has been considering, nothing has been forthcoming.

You should understand that the initial reaction of the staff of the Division of Market Regulation of the SEC to Ron Wyden's inquiry and to me personally was one of total denial of any problem. Although the staff members now say they have changed their minds and support changes I have recommended, I have no written evidence to support that assertion.

The staff essentially claim that the problem is now at the Commission level. I have met with SEC Commissioner Steve Wallman four times. I like and admire him, and I respect his judgment. He knows that I believe that he assesses the Commission's powers too modestly, but he has been heroic in trying to overcome the institutional inertia at the Division, which exhibited the classic symptoms of a regulator captured by the regulated. (My telephone conversation with SEC Commissioner Wallman on July 30 indicates that there may finally be movement here.)

The incredible bureaucratic delay at the SEC provides the President with a unique opportunity to demonstrate how he - and only he - can provide leadership at the Federal level, even including the independent commissions such as the SEC, whose members he has appointed, but to whom he cannot dictate. A significant part of what needs to be done can be done administratively by the SEC, but given the fact that President Clinton has appointed, I believe, the current commissioners, including any who may be awaiting confirmation, he can publicly inspire a much needed change, a change which can be made highly visible. Even better, he can start the Federal government's own program of using current technology to obtain good addresses of those whose money it is holding. (See the Boston Globe's reference to the billions held by the Federal government belonging to citizens, but which it fails to deliver to them or facilitate their "finding" themselves on a Federal government electronic system.)

This kind of focused Presidential leadership would be in sharp contrast to the various utterances of Senator Dole about "What this campaign is all about". The call for action by the President would be based on the following grounds:

1. A hitherto unknown, but very real, abuse in the amount of billions of dollars which affects millions of Americans, especially the elderly, who are disproportionately harmed by the securities industry transfer practices. (The SEC's $10 billion estimate; $10 to $25 billion estimate at the states' level.)

2. Sixty to eighty percent of the abuse can be remedied by the SEC's enforcing regulations already on its books. I repeat: The SEC already has regulations which require issuers/agents to maintain adequate records such as addresses. It is the abject failure of the SEC's Division of Market Regulation to give any reasonable meaning to these regulations, which has made these regulations "dead letter law", because they have never been used! At an April, 1996 meeting at the Division with Rich Lindsey, it's new Director, and Bob Colby of his staff, I was again assured that my first two proposals would be implemented.

3. At no time would the President be talking about corporate, state or Federal money. At all times he would be talking about available money belonging to securities owners in the form of dividends or interest owed them, i.e., money which is not being delivered timely to its rightful owners, and which is subsequently turned over to the various states whose track records in returning funds many years later is and can only be - because of the passage of time - spotty at best.

4. The basis of the President's standing to concern himself with this is the Securities and Exchange Acts, which the courts have held to be for the protection of individual investors so that they may feel secure in putting their money in national markets, which are the financial backbone of our economy.

5. The legal principles involved here are those which are taught in the first year of every law school, which means that a layman can understand them, e.g., the recovery of damages caused by negligence, unjust enrichment, constructive trusts, contracts, and due diligence. Today an issuer or its agent will not look for the correct address of its share or bond holder when a check is returned or uncashed. The issuer uses that money, and the interest earned by that undelivered money is never paid to its rightful owner. The owner gets only the principal, if he is lucky enough ever to get anything at all, and only the principal is turned over to a state years later if the funds escheat. The states, of course, use the money, but don't pay the owner interest either; Ohio even charges the owner 5%!

6. Even if the issuer/agent has been negligent, and it is in many of these cases, it denies any liability for its negligence and maintains that the owners have the sole responsibility for getting any interest or dividend due them, regardless of the issuer/agent's negligence. This is clearly contrary to any law taught in any American law school with which I am familiar. Everyone can understand that there is no fairness in such a situation, which is why the President should be the one to bring this matter to the electorate's attention, i.e., its universal appeal. (I am helping my friend Ohio State Senator Charles Horn, Republican, from Dayton, craft improvements to the Ohio unclaimed property laws along the lines I am discussing here, which illustrates that this is the kind of issue that the most Republicans can identify with, if given the chance.) I have also spoken with the Republican State Treasurer of Wisconsin, who is co-chairing a committee of state unclaimed property administrators to initiate some improvements after funds escheat to the states.

7. The cost of sending repeated mailings to addresses already known to the issuer to be bad addresses is greater than the less than one dollar needed to get a current good address. This contrast in costs makes irrelevant any negligence imputed to a securities owner who did not send in a change of address, i.e., the issuer has suffered no damages, so any negligence is irrelevant.

8. When bonds are called - and billions worth are called every year - the interest on any bond stops on any bond not turned in by a stated date. However, there is no requirement by the SEC that the principal of all bonds turned in by the stated date should be in the hands of the owners the very next day after the interest stops! The President should be the one who calls for the delivery of the principal of all the called bonds on the next day rather than thirty or more days later which is what

happens in any number of cases, which means that the issuer/agent issuer enjoys an interest-free loan from the bond holder, who turned his bond in on time.

9. The computer software programs which securities transfer agents use should be re-written to prevent the printing or recording of securities where an address is incomplete.

Enclosed you will find a copy of an Editorial in the Grossman Report for the 1995 issue (Exhibit 12) in which Susan Grossman, the owner of Capital Tracers and a sister of the owner of Keane Tracers, featured in the ABC News' PrimeTime telecast, writes that "...Shamansky brought the owner's perspective into the public eye...." I consider it shocking - even scandalous - that it took one lawyer in Columbus, Ohio - with friends' help in Washington and elsewhere - to bring this matter into the public's eye. (Mike Duffy of Time magazine helped me bring the subject to the attention of Money magazine, a Time, Inc. publication.)

My goal in writing this letter is to have President Clinton become the candidate who "brought the owner's perspective to the public eye" during the 1996 Presidential Campaign. Fortunately, the President has a running mate whose role as Vice-President and natural interests are compatible with this subject. (I served on the Vice-President's Investigation and Oversight Subcommittee of the Science and Technology Committee in the U.S. House of Representatives.) Vice-President Gore is identified in the public's mind with "Reinventing Government" and promoting the use of technology so that the United States becomes more efficient. As noted above, the SEC has dawdled so long that the states may use the Internet/database register technology for escheated/unclaimed property <u>before</u> the Clinton Administration can be identified with this technology.

The nub of the problem I have been describing is the <u>refusal</u> of the securities industry in its transfer operations to use the same technology to deliver dividends and interest that the parent banks use to collect money owed them. The bulk of the solution to the problem lies in simply using the available technology. (Please understand the vital distinction between the subject being discussed here, i.e., securities owners being classified as "lost" immediately upon the return of a check with no further search for a good address, as distinguished from funds escheated to the states, which may occur 3,5, 7 or even more years after the securities owner has been "lost" by the transfer agent.)

In addition to the address databases, I have urged the SEC to establish an electronic register for all "lost" securities owners. The SEC already has a register for lost and stolen securities, and there can be no theoretical objection to a register of owners of securities as distinguished from a register for pieces of paper owned by this security holder.

Steve Wallman agrees on the goal of making information about "lost" securities owners easily available to the interested parties, e.g., on the Internet, but believes that the private sector can handle it once the SEC is sent the data from the holders. I am agreeable to that.

This is a Federal matter; it cannot be devolved to the states so that it would thereby "be closer to the people." The plain truth of the matter is that many of the states are as culpable of neglecting their citizens' best interests as are the issuers/agents. Only the Federal Government can correct this at the national market level, and so far neither the SEC nor the Congress - except for Ron Wyden - has publicly done anything, which provides the President with the ability and opportunity to protect the investing public in a highly visible manner.

Since the declared dividends and earned interest payments are in existence, but not delivered, these funds should be held in trust earning interest until delivered to their owners or turned over to the states when the funds escheat. There is a line of cases which hold that declared dividends are held in constructive trust for the shareholders; this principle should be applied by administrative action, if possible, or by legisltion, if necessary, to all dividends and interest on securities registered with the SEC. (The states would remain free to handle any securities issued under their blue sky laws as they wish.) This is only fair as perceived by every share or bond holder with whom I have spoken, regardless of political affiliation.

Unfortunately and inexplicably, the SEC is having trouble with this concept, citing a split in some state law cases on the status of dividends still held in the corporations' accounts. (If the funds belong to the corporations, then the funds are subject to claims of creditors, including bankruptcy.) The President - as a policy matter - should take a stand on behalf of the securities holders, who are owners of the corporations, if they own shares of stock, or are creditors of the corporation, if they own bonds. The same concepts apply, of course, to mutual fund share owners or owners of accounts held in street name by brokerages, because they can be "lost" through a simple pressing of the wrong key or button, and they are "lost" steadily.

This letter has already reached an unexpected length, so I will only allude to the voracious practices of the "tracing" companies which are featured in the ABC News' PrimeTime video segment. These outfits, also known as "heir-finders" or "locators", succeed as well as they do because the issuers/agents set-up the "lost" shareholders by turning over non-public information to the tracers, who get healthy percentages of any funds whose owners they find. (Keane Tracers in the ABC News PrimeTime video tape sought 35%.)

In addition to the video tape, I am enclosing materials which I believe sustain the points I have made in this letter. This should be sufficient to flesh out the above "outline", even though the materials constitute only a fraction of my files.

The President in a few simple, non-technical sentences can lead the fight for the owners of stocks, bonds, and mutual fund shares to get <u>their</u> money, which the present practices of the securities transfer industry and their principals deny them. The people most hurt by these unjustified and illegal practices are overwhelmingly individuals, especially the elderly, who disproportionately make up those who are supposedly "lost".

I have already mentioned my Congressional classmate, Senator Wyden, without whose interest and cooperation nothing would have happened, as well as Commissioner Wallman. I believe I know my law school classmates, Senators Ted Stevens and John Chafee, well enough to feel confident that they would cooperate with Ron in preparing any needed legislation, which would be minimal at most, and I would not hesitate to contact them at the appropriate time if the President and Ron Wyden would welcome their cooperation.

I shall be happy to work with anyone you suggest.

Very truly yours,

Robert N. Shamansky

Robert N. Shamansky

RNS:gsm
Encls.

cc: Mr. Harold Ickes

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 8-8

TO: Tony (LAKE)

FROM: Staff Secretary

Bob Rubin sent in a memo yesterday about the downside of repeatedly having recourse to economic sanctions. He copied Laura, who has added a note. Do you want to comment on this before it goes to President? — Todd

cc: Sandy Berger

rec'd 96Aug7
7:00p

THE WHITE HOUSE

WASHINGTON

August 7, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Laura D'Andrea Tyson Laura D. Tyson

SUBJECT: Unilateral Economic Sanctions

I share the concern expressed by Robert Rubin in the attached memo about the costs of repeated use of unilateral economic sanctions in U.S. foreign policy. Unilateral economic sanctions cannot be a foreign policy tool of first resort without posing a significant threat to our economic interest and to the commonly-held principles of extraterritoriality that we expect other nations to observe.

I have also attached a letter to you from the Chair and Vice-Chair of your Export Council. They highlight the economic costs of our sanctions measures and urge creation of a bi-partisan, joint government/private commission to assess the costs and benefits of economic sanctions, and to make appropriate recommendations for policy changes. Although there are some risks in the idea of a commission, particularly one that would report before the election, it would be one way to build a case with the Congress for the more cautious use of unilateral sanctions during your next term. I believe your security and economic advisors are divided on the wisdom of a commission, so we will prepare a draft response to the attached letter that reflects this diversity of views.

I know that several of your economic advisors would like the opportunity to discuss the issue of unilateral economic sanctions with you if you are interested and can find the time to do so during this hectic period.

ATTACHMENTS
Tab A Memo from Secretary Rubin
Tab B Letter from President's Export Council

cc: Vice President
Chief of Staff

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

96 AUG 7 P12:53

ECRETARY OF THE TREASURY

August 7, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Robert E. Rubin R.E.R.

There may well be circumstances where sanctions are appropriate, however, I am convinced that their cumulative effect will be to do real harm to our economic interests. It is easy to lose sight of these long-run costs when sanctions are considered on a case-by-case basis. Therefore, I think we should raise the bar as we consider future sanction actions and reserve their use for exceptional circumstances.

There are two basic types of unilateral economic sanctions: (1) those which restrict the commercial activities of our own companies, and (2) those which impose penalties on foreign companies engaging in commercial activities with the country against which our sanctions policy is directed. These types of sanctions work harm upon our economic interests in different ways.

The first type of unilateral sanction operates as a kind of self-imposed commercial handicap. We forbid U.S. exports of certain goods or services, or U.S. investments in a country, as an expression of disapproval for the policies of that country. We may also freeze the assets of foreign persons associated with the country or a specific regime. We may hope that other nations follow our example, but they rarely do, at least to the extent of prohibiting similar transactions by their companies. Thus, in essence, we cede the market for these sales or investments to foreign companies, often from allied nations.

The direct costs of these sanctions are relatively easy to see, even if precise calculations may at times be difficult. However, there are also hidden and probably far greater costs, the cumulative effects of which follow from repeated use or threat of use of economic sanctions. As foreign companies become aware that the United States resorts to sanctions fairly often, they become a factor that can weigh against contracts with U.S. companies which require ongoing purchases. Despite our firms comptetitive advantage in aerospce, Airbus Industries, for example, has halved the U.S. content of its planes to under 10%, reportedly in order to avoid the threshold for reexport provisions on U.S.-content goods destined for countries on which we have foreign policy export controls. U.S. companies are seen as less reliable suppliers because of government-imposed measures.

I also have a particular concern that repeatedly resorting to freezing assets of foreigners in U.S. financial institutions will make them a less attractive home for investments. In today's markets, investors need very little reason to choose Zurich or London or Tokyo over New York as the locale for their bank accounts or their point of purchase of debt or equity instruments.

The second type of sanction has gained particular notoriety with the passage of the Helms-Burton and Iran-Libya sanctions bills.

Here we punish foreign companies in the first instance, but it is only a matter of time before our companies are subject to counter-sanctions abroad. We are also exposed to arguments that our actions are inconsistent with commonly held principles of extraterritoriality. Indeed, action of this sort may encourage similar, detrimental actions by other countries against our companies, about which we would certainly complain vociferously. Moreover, I am afraid that these types of sanctions may eventually undermine, rather than enhance, efforts to obtain cooperation from our allies, who will not wish to appear to buckle under our very public pressure.

There are instances where unilateral economic sanctions are warranted by the severity of the threat posed by a target nation such as Iran. We may be willing to bear economic costs in an effort to bring pressure upon companies that do business with Iran, or upon the regime directly. But by and large, the threats posed by target nations are not that high, particularly in light of the frequently modest prospects for success of the sanctions.

I hope we will not soon confront another sanctions bill in the Congress, but I fear otherwise. It sometimes seems that proposals for economic sanctions have become almost a reflexive response in cases where the behavior of the target nation does not threaten U.S. interests in such a way as to justify military or other action. I think we need to be cautious, deliberate, and far more mindful of their long-term economic costs in considering such proposals.

cc: Laura Tyson

THE PRESIDENT'S EXPORT COUNCIL
WASHINGTON, D.C. 20230

June 28, 1996

The Honorable William J. Clinton
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Dear Mr. President:

Your Export Council is submitting herewith a recommendation aimed at developing a better base of knowledge for the formation of an economic sanctions policy. Although it is recognized generally that our national security, foreign policy, and national economic security interests are inseparable, actions to deal with proliferation of weapons of mass destruction, support of terrorism, and abuse of human rights in the Post Cold War period increasingly involve unilateral economic sanctions.

The enclosed "white paper" suggests that the costs of unilateral economic sanctions are becoming more important to the economic security of our nation. The climate under which sanctions typically are chosen make reasoned debate and consideration of potentially more effective but less dramatic and "visible" measures impossible. Therefore, we have concluded that it is essential to develop an improved knowledge base to guide sanctions policies and to create a better informed public.

Specifically, we recommend that you, in consultation with appropriate Members of Congress, appoint a balanced, bi-partisan panel of government (including the Departments of Commerce, State, Defense and Labor) and private sector experts to:

1. Direct a comprehensive assessment of the laws and regulations, costs, benefits, and practices pertinent to economic sanctions.

2. Recommend policies to guide the use of economic sanctions for the future.

3. Propose a program of communications to assure that policy makers and the public are appropriately informed.

We recommend also that you request the International Trade Commission, or other non-partisan body with comparable economic resources and expertise, to work with the Panel in designing the economic cost and impact assessment to conduct the study of costs and impacts, and provide a report to the Panel for its use in completing its report and recommendations to the President and the Congress.

Sincerely,

C. Michael Armstrong
Chairman

Elizabeth Coleman
Vice Chairman

Enclosure

UNILATERAL ECONOMIC SANCTIONS: ARE WE GETTING WHAT WE PAY FOR?

Proliferation of weapons of mass destruction, support of international terrorism and abuse of human rights by third world emerging nations have become higher priority concerns for U.S. foreign policy in the Post Cold War era. Since these matters are so antithetical to our national values, traditional diplomacy and constructive engagement typically fail to capture our sense of urgency and outrage. Decisive military solutions, on the other hand, are neither politically nor economically feasible because vital national security interests seldom are perceived to be at stake. Thus, the search for alternate approaches leads most often to the selection of economic sanctions and, frequently, to the United States going it alone.

The costs and benefits of using our international trading relationships as weapons for such purposes in the modern political and economic environment are not well understood. There is a need for a better base of knowledge on which to form economic sanctions policy.

National leaders are coming face to face with the realization that our national security, national economic security and foreign policy interests are inseparable.

"We must elevate America's economic security as a primary goal of our foreign policy...[F]or too long we have made economics the poor cousin of our foreign policy..."

Secretary of State Warren Christopher
January 1993

Trade has increased from 13 percent of the value of U.S. GDP in 1970 to 30 percent in 1995. Indeed U.S. exports are growing at an increasingly rapid rate compared to the economy as a whole.

U.S. EXPORT GROWTH PROJECTION: 9.5 PERCENT PER YEAR

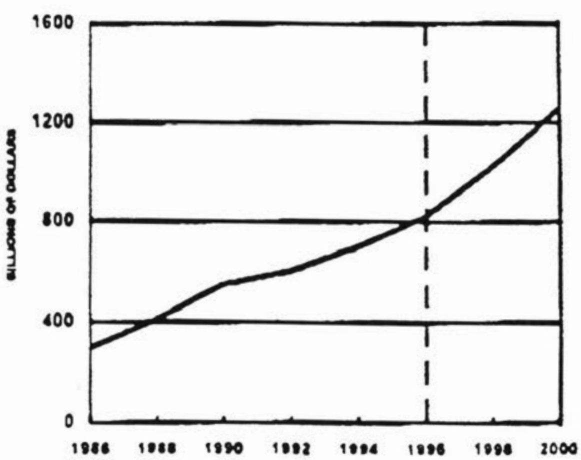


Figure 1
Source: International Trade Administration, U.S. Department of Commerce

High technology industry sectors depend on the international marketplace to provide the economies of scale essential to their global competitiveness; and Secretary Perry's post Cold War defense strategy relies increasingly on these commercially driven dual-use technologies to provide the battlefield advantage needed by our military.

"The key technology [military commanders] want is information technology and it is being developed at a breathtaking pace, but not by the Defense Department. It is being developed by commercial computer and telecommunications companies..."

Secretary of Defense William J. Perry, "A Defense Strategy for the Post Cold War World" March 4, 1996

Secretary Mickey Kantor noted recently that globalization and interdependence of the world's economies are here to stay, and that expanding trade is critical to creating good, high-wage jobs. The 11 million Americans who owe their jobs to exports are earning, on average, 13 to 17 percent more than their neighbors in non-trade jobs. (Figure 2)

Exporting Plants Pay Higher Wages

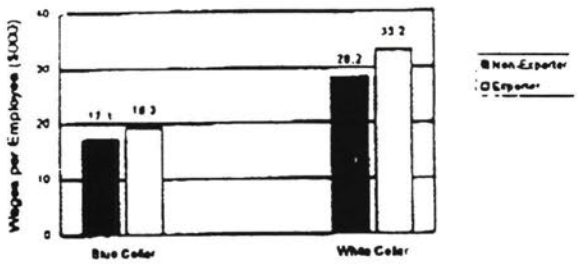


Figure 2
Source: "Why Exports Matter: MORE!" Institute for International Economics and The Manufacturing Institute U.S. Census Bureau, Center for Economic Studies

Growth in real incomes and living standards depends heavily on trade. The U.S. economy is relatively mature and its population is near zero growth. The same goes for our historic trading partners. The opportunity for growth is offered by the big emerging markets (BEMs) of the world, which already are taking a larger share of our exports than either the European Union or Japan. By the year 2000 they are expected to exceed the combined total of the EU. and Japan. (Figure 3)

U.S. Exports to BEMs, European Union, Japan

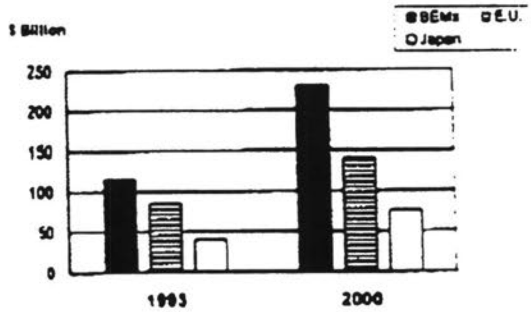


Figure 3
Source: Department of Commerce

But these dynamic emerging market countries also pose the greatest challenges to geopolitical stability and our foreign policy interests.

- Many perceive a need for independent defense capability as the protective shields of the superpowers have come down, and as they desire to project their influence and images of success as nations;

- Some lack the democratic processes and respect for the human rights of their citizens required to meet international norms.

The Policy Dilemma

U.S. policymakers perceive a paucity of options for dealing with such matters when major military action is unjustified.

- When a target country's economy and national security are not dependent on the United States, diplomacy and constructive engagement hold less promise of success, and yet they carry a high political risk here at home.
  However, the Framework Agreement with North Korea is proving that we are able to get effective results when a high priority, high risk effort is put forward. That rogue country's dangerous nuclear program has been frozen since 1994 when the Agreement was signed.

- Even though unilateral economic sanctions generally are seen as ineffective in achieving the desired change in the target country's policies, such sanctions have become the weapon of choice because:

- They have no visible effect on the budget deficit (i.e., they are "off budget");

- They immediately suggest national resolve to deal tangibly with unacceptable actions by the targeted nation.

Default to Sanctions?

The International Institute for Economics (IIE) reported in 1990 that the use of economic sanctions by the United States reached frenetic levels in the 1970s and 1980s. The success rate fell from 50 percent in the 1950s and 1960s to 17 percent. The average U.S. sanction's effect on the target nation's economy fell to less than one percent of GNP. One possible explanation noted was the decline in trade linkage between the United States and the target countries. From a competitive point of view, it is especially significant that the U.S. rate of applying economic sanctions was triple that of the E. U. and Japan combined.

The IIE reported in 1995 that unilateral sanctions have been applied somewhat less in the 1990s. However, a countertrend is noted in legislative activity which "suggests that the lessons of the 1970s and 1980s have yet to be learned. It appears that domestic politics will continue to outweigh U.S. commercial or even foreign policy interests in some cases."
Restriction of trade and financial relations are imposed under a variety of case specific and omnibus statutes, and additional laws currently are proposed.

Others also have questioned whether unilateral sanctions generally are ineffective in achieving more than ephemeral domestic political objectives. The GAO reported (GAO/NSIAD-86-172), that effectiveness in denying specific items or forcing change in the target country's policies is not required by the Export Administration Act.

- U.S. foreign policy goals may be limited to making a political statement or sending signals "distancing" ourselves from another country's behavior.

- Ending sanctions is difficult because the act of removal itself signals approval of the target country's behavior.

- Costs take the form of U.S. business and jobs turned over to foreign competitors.

Costs

Costs to the United States of unilateral economic sanctions are both direct and indirect -- and they clearly are quite large.

One of the largest single sector-specific unilateral sanction is that which prevents U.S. firms from competing with French, German, Canadian and other foreign companies to supply nuclear-powered electricity generating plants to China. This sanction is imposed unilaterally for the purpose of penalizing China for abuse of human rights and weapons proliferation. Unfortunately, its effectiveness in influencing China's policies is limited since the foreign competitors offer comparable capability and have moved ahead toward fulfilling China's nuclear power requirements.

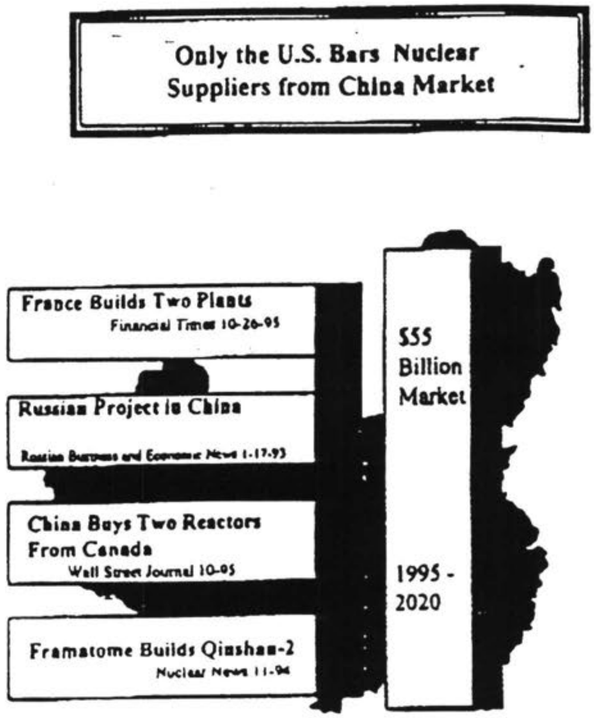
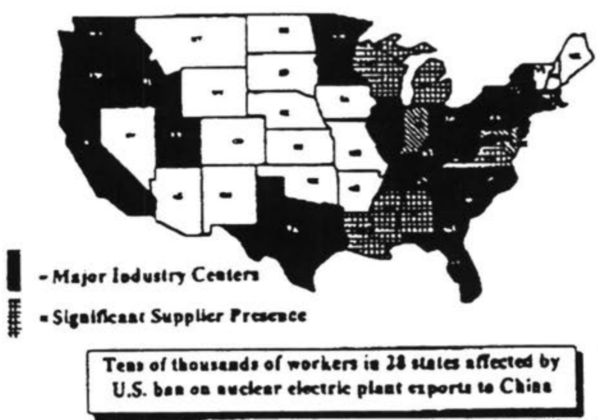


Figure 4
Source: China National Nuclear Corporation

The China nuclear power market is the only one that can support the U.S. commercial nuclear industry in the near to mid term. Tens of thousands of well-paying U.S. jobs across 28 states are potentially affected.

Nuclear Energy Related Jobs



Source: US Nuclear Industry

The critical policy issue for the United States is that continued denial of access to this $50 billion market will result in the gradual elimination of the trained personnel base now supporting more than 100 U.S. nuclear power plants and the nuclear Navy. Also of broad significance is that China's nuclear program will not benefit from the world's most advanced nuclear power safety standards.

The Council on Competitiveness evaluated specific export control cases reported by industry in 1994. Unilateral sanctions resulted in $2.5 billion in denied exports of commercial on-highway trucks and communications satellites.

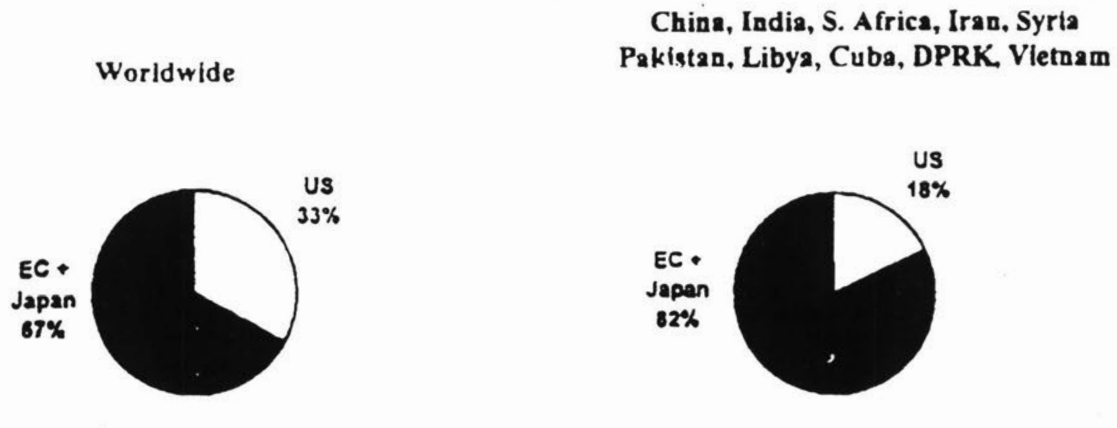
In comparison with worldwide performance against the EC and Japan, the U.S. shortfall in merchandise exports to 10 U.S.-sanctioned countries in 1992 was $11 billion. (Figure 5)

Indirect costs of unilateral sanctions are larger but even more difficult to assess. In the same way as an ordinary consumer avoids buying a durable good, such as an automobile or an appliance, from a company that has a reputation for unreliable service and parts supply, foreign purchasers avoid becoming dependent on global suppliers who represent a political risk.

- Where Airbus Industrie once relied solely on U.S. engines, two of the latest three Airbus aircraft now offer non-U.S. engines.

- In the period following the Soviet grain and pipeline embargoes, many U.S. manufacturers were informed by European firms that they were avoiding key U.S. parts and components for their products except where substitutes were unavailable. And the damage to the export market for U.S. agriculture was significant.

Comparison of U.S. with E.C. and Japanese Merchandise Exports 1992



Shortfall of U.S. Exports to 10 Sanctioned Countries – $11 Billion and 220,000 US Jobs

Figure 5

Source: IMF, 1993

- China and India hedge against potential commercial aircraft sanctions by maintaining a significant share of European and Russian aircraft in their fleets.

- The extraterritorial extension of U.S. law to carry out unilateral sanctions where our international trading partners disagree as to the purpose or approach is particularly damaging to U.S. competitiveness.

  The Soviet pipeline embargo was a painful example. Foreign firms were prohibited from supplying the pipeline if they used U.S.-origin goods, or if they were subsidiaries of U.S. firms.

  One U.S. turbine manufacturer had produced the high-tech components for machines being made by foreign licensees. These components, which licensees had not been able to build for themselves, could not be shipped. But key European governments effectively forced their citizens to proceed with pipeline contracts in the face of blacklisting by the U.S. government. As a result of this confrontation among the allies, the U.S. was forced to withdraw the sanction. Meanwhile, the U.S. turbine manufacturer had been forced to give over to its foreign licensees complete independence in production of turbine components. This firm and other U.S. suppliers sustained permanent damage in the global market. Foreign competition gained an unearned boost and thousands of good U.S. jobs were destroyed.

- Now further extensions of extra-territoriality are being employed in the hope of forcing the allies into cooperating with our unilateral actions against Cuba, Iran and Libya. Secondary boycotts of the type employed by the Arab League against Israel are proposed for Iran and Libya. Ironically, a U.S. person's cooperation with such foreign boycotts is prohibited by U.S. law. Foreign manufacturers may be forced to choose between risking the U.S. sanctions and breaking the laws of their own countries. There is a significant danger here of even stronger retaliatory action than in the Soviet pipeline case. The losers, again, will be U.S. suppliers and U.S. workers -- not the target country.

- There are numerous statutory "trip wires" where a Presidential determination sets off mandatory economic sanctions against another government's actions. For example:

  A Presidential determination that China has contributed substantially to Pakistan's missile capabilities would require a ban on all export licenses as well as on all imports from Chinese government entities relating to electronics, military aircraft, missiles and space systems. Intelligence leaks reported by the press indicate that such action has been considered. This type of action could result in a complete shutdown in trade relations with China.

  Ex-Im has estimated that implementation of the Nuclear Proliferation Prevention Act against China for supplying centrifuge components to Pakistan would affect potentially $10 billion worth of U.S. commercial projects.

A similar level of project activity is exposed in Indonesia where past news reports of human rights violations have raised concerns that Ex-Im sanctions mandated by the Foreign Assistance Act might be imposed.

The State Department uses authority under the Arms Export Control Act to deny trade approvals involving items on the U.S. Munitions List for certain countries. Since the Munitions List encompasses substantial commercial goods and technologies, such foreign policy embargoes often have unintended consequences. The $1.5 billion sale of commercial satellites to China mentioned earlier had to be denied because of the embargo relating to Tiananmen Square.

When the President fails to certify that a foreign government is cooperating satisfactorily with the United States in its war on drugs, Ex-Im Bank funding for projects in that country must be stopped. The recent decertification of Columbia automatically stops U.S. participation in up to $1 billion worth of projects in that country.

Potential decertification of Mexico, currently proposed by members of the Senate, would impact $6.8 billion worth of current public and private exposure there.

Conclusions

The impact of unilateral economic sanctions on the broad national interests of the United States must be understood clearly. It is extremely difficult to deal effectively with this issue for several reasons.

- The costs generally are not borne directly by the U.S. government. Direct costs usually are focused on limited industry sectors and geographic areas, and indirect costs, while likely to be larger, are complicated and difficult to prove in the short term.
- The imposition of sanctions invariably is undertaken in the "heat of passion" toward offending governments. Such conditions invite demagoguery and, in turn, media attention. Reasoned debate on sanctions in this climate is impossible. Such conditions also reduce the political attractiveness of using incentives such as economic aid, regional security assurances or access to international financing. The experience of the Framework Agreement with No. Korea is both illustrative and instructive.
- No Administration and no Congress will accept meaningful limits on their ability to act unilaterally against other nations when they perceive a threat to U.S. national interests.

Thus, if we are to avoid significant, unnecessary damage to U.S. economic security, an improved knowledge base to guide sanctions policies, and a better informed public is required.

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 8/8/96

TO: John Angell

FROM: **Staff Secretary**

Per your request.

Helen

THE WHITE HOUSE

WASHINGTON

August 2, 1996

Dear Mr. Speaker:

Reversing decades of neglect, this Administration has dedicated unprecedented resources and enforcement effort to curtailing illegal immigration. Our comprehensive strategy to restore the rule of law to illegal immigration enforcement has done more in three years than was done in thirty years before. It includes:

1) Gaining control of our borders. This Administration is deploying more Border Patrol agents than any previous Administration. In FY 1996, we will deploy an additional 1,000 new and reassigned agents. Overall, the Administration has increased the number of Border Patrol agents at the southwest border by 40% since 1993. For the first time, Border Patrol agents are being equipped with the high technology resources needed to do the job, including sensors, night scopes, computers and encrypted radios. Strengthened anti-smuggling efforts have reduced the criminal transport and exploitation of smuggled aliens.

2) Safeguarding the interests of legal workers. This Administration is the first to initiate effective enforcement of employer sanctions and worksite standards. In addition, I issued an Executive Order to keep federal contracts from going to businesses that knowingly hire illegal workers. We are also testing a computer work authorization verification system and are creating more fraud-resistant immigration documents.

3) Removing criminal and other deportable aliens from the country. In 1995, this Administration removed a record number of criminal and other illegal aliens from this country -- 74% more than in FY 1990.

Most of H.R. 2202, the Immigration in the National Interest Act, supports the steps we have taken. I continue to urge Congress to pass these provisions and present me with the additional tools that I need to continue the progress we have made.

However, there is a right way and a wrong way to fight illegal immigration. The Gallegly Amendment and the compromise being considered during the conference process would result in kicking children out of school and onto the streets. The street is no place for children to learn; children should be in school. This proposal is an unacceptable and ineffective way to fight illegal immigration. And the proposed compromise -- which will still require states to verify the immigration status of all children, and permit states to exclude those who cannot afford to pay tuition -- is as objectionable as the original provision. Congress should reject it.

If the immigration bill contains this provision, I will veto it. We can agree on so much in the legislation that would help what we are already doing. Let us move forward with illegal immigration enforcement legislation without this misguided measure.

Sincerely,

Bill Clinton

The Honorable Newt Gingrich
Speaker of the
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 8-8

TO: Fred Dohse

FROM: Staff Secretary

Is this letter OK with NSC? If so I'll have Dan prepare final & I'll get it out. Todd

THE WHITE HOUSE

96 AUG 8 A9: 33

WASHINGTON

August 7, 1996

MEMORANDUM FOR THE PRESIDENT

THROUGH: Laura D'Andrea Tyson LDT

FROM: Daniel K. Tarullo DKT

SUBJECT: Response to Prime Minister Hashimoto's Letter on G-7 Initiative on Aging Populations

Prime Minister Hashimoto has written to you concerning his "Initiative for a Caring World," which he proposed at Lyon. He indicates that he has formed a task force within the Japanese government to elaborate the initiative. He indicates he will keep in close touch with you on this subject in your capacity as chair of the G-7 next year.

In the accompanying paper, Prime Minister Hashimoto emphasizes the problems posed for Japan by a rapidly aging society -- health care, pensions, employment. In keeping with the suggestion you made at Lyon, he solicits the views of the other G-7 leaders on how best to involve the OECD's work on aging in developing the initiative.

In your response, you endorse again the value of the initiative, indicate your willingness to help Hashimoto develop his ideas, and say that you have already instructed me to work with Hashimoto's sherpa in planning a part of the Denver Summit around this topic. You also suggest having the OECD accelerate its analytic work so as to be timely for the Summit.

I have already been in touch with the Japanese sherpa, who tells me that the initiative is still in an early stage. As you instructed, I offered our help as they develop their ideas before Denver.

Attachments
Tab A Proposed response
Tab B Hashimoto letter

Dear Ryu,

Thank you for your letter explaining your thoughts on the "Initiative for a Caring World," which you first proposed in Lyon.

As I said in Lyon, I think this is a very timely exercise for the G-7 countries, particularly your emphasis upon the challenges posed to all our countries by an aging population. Medical care and adequate retirement income are two obvious examples but, as your letter suggests, there are less obvious problems such as changes in employment patterns that also warrant our attention.

We stand ready to work with you in developing this initiative. I have already instructed my sherpa to cooperate with your sherpa in planning for a portion of the Denver Summit to be devoted to this topic. In this regard, I welcome your contact with Secretary General Johnston of the OECD. It would be useful if the OECD could accelerate some of the analytic work in its project on aging in industrialized countries, to be ready in time for the Summit preparatory process.

Best personal regards.

Sincerely,

EMBASSY OF JAPAN
WASHINGTON, D. C.

July 26, 1996

Dear President Clinton,

I have the honor to transmit to you, enclosed herewith, a message from Ryutaro Hashimoto, Prime Minister of Japan.

Sincerely,

Kunihiko Saito
Ambassador of Japan

His Excellency
William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

26 July 1996

Dear Bill,

I was very pleased to have had close talks with you at the Lyon Summit. I believe that the frank exchange of views among the heads of State and Government during this year's G7 summit produced fruitful results.

Regarding the "Initiative for a Caring World", which I proposed during the Summit, I summarized my basic ideas in the attached paper. I have also transmitted this paper to other G7 colleagues.

Promoting social services for the well-being of our citizens is a complicated and wide-ranging task. I have thus set up a task force within the government to elaborate my ideas. In the coming weeks, I will consult with you and other G7 colleagues on my initiative through contacts among our Sherpas with a view to further crystallising it. I look forward to a useful contribution from your government in that process under your leadership. In particular, as you will be hosting next year's G7 summit, I intend to keep in very close touch with you on this matter.

With warmest personal regards,

Yours sincerely,

Ryutaro HASHIMOTO

Prime Minister of Japan

"Initiative for a Caring World"

I would like to convey to you hereafter the basic ideas underlying the "Initiative for a Caring World" that I presented during the Lyon Summit.

To ensure that people are born into this world under healthy conditions, grow up and age happily is an important goal that political action should aim at. With this objective in mind, we have implemented by a process of trial and error, a series of measures in such areas as social security, public health and social services in order to raise the living standards of our citizens. In Japan, between 1947 and today, the average life expectancy for men has increased from 50.06 years to 76.57 years, and for women it has risen from 53.96 years to 82.98 years. During this same period, the percentage of deaths from illness has declined sharply. If we provide information concerning our successes and failures and other experiences to developing countries, we would be able to contribute to effective implementation of related policies in these countries.

The rapid ageing of the population is creating a situation where the existing policy framework is not sufficiently equipped to handle all the problems. For instance, there has been an increase in the number of elderly who are suffering from diseases which the existing medical care system is unable to deal with. We have observed a rapid increase in demand for care for the elderly. Social security expenditure for health and pensions is mounting. For example, in Japan, the share of social security vis-a-vis its national income in 1955 was 3.3%, whereas actually it is 14.1%. This figure is expected to climb to about 18% in fifteen years. Indeed coping with these needs and their financial burden is a challenge common to developed countries. Therefore sharing our knowledge and experience, thereby squarely tackling this challenge is important to fulfill the role expected of political action. These are my intentions for this initiative.

We have been mobilising our knowledge and skill to find the best way to deal with the increasingly important problem of the well-being of our citizens. I believe that in order to resolve this problem, learning from knowledge and skill of other countries in the field of social security is important although we have to take into account the existing difference of social security systems even among our countries. Promoting social services for the well-being of our citizens is a complicated and wide-raging task. I have set up a task force in my government to examine this Initiative including the following points. As this work proceeds, I would like to convey to you further details of our ideas on this initiative.

1. First of all, I believe that making active use of the OECD will be useful for discussion among developed countries including G7. The OECD has expertise in this field and could provide useful guidelines for future policies of each country by setting out common problems among developed countries, for example, pensions, social security systems and care of the elderly in the context of the ageing of the population, and analysing them while referring to knowledge and experience of Member countries.

As regards the relationship with developing countries, I believe that it is necessary for us to assist them in establishing a new system, developing human resources and improving social service for the well-being of their population, through providing fora for discussion or programmes of assistance.

I would be interested in knowing the thoughts of G7 heads of State and Government on how we can best use the OECD. From our part, we have already asked Mr. Johnston, Secretary-General, for the understanding and co-operation of the OECD on this initiative.

2. Secondly, I think it useful to hold international meetings in order to share knowledge and experience in this domain. At last April's Jobs Conference in Lille, Japan proposed to host an expert meeting on employment next year in Japan. Unemployment is one of the important aspects that the "Initiative for a Caring World" should deal with. We will keep in mind the linkage with this initiative while we elaborate on the timing and themes of the Jobs Conference in Japan.

For the moment, I believe it important to stimulate debate between our Sherpas on various points of this initiative for the preparation of our discussion in next year's Denver Summit.

親愛なるビル

先般のリヨン・サミットにおいて貴大統領と親しくお会いすることが出来て誠に欣快でした。首脳間の率直な意見交換を通じ、サミットは実りある成果を出せたものと存じます。

さて、サミットにおいて私より提唱しました世界福祉イニシャティヴについては、私のとりあえずの基本的な考えを別添の通りとりまとめてみました。私のかかる考え方は他のG7各国首脳にもお伝え致しました。

福祉の問題は、複雑多岐に亘るものであり、私は政府部内に本構想についてのタスクフォースを設置し、検討させている最中です。今後は、本構想をより具体的なものとしていくべく、シェルパ間の連絡を通じG7各国の間で協議していきたいと考えております。その際には、貴大統領のリーダーシップにより、貴国より積極的かつ有益な貢献が得られることを期待しています。特に、来年

のサミットの議長役を務められる貴大統領とは緊密に連絡を取り合っていきたいと考えております。

敬具

平成八年七月二十六日

日本国総理大臣

橋本龍太郎

アメリカ合衆国大統領

ウィリアム・ジェファーソン・クリントン　閣下

【別添】

リヨン・サミットにおいて私より提唱しました世界福祉イニシャティヴについての私のとりあえずの基本的な考えを、以下のとおりお伝えしたいと思います。

国民が健やかに生まれ、育ち、そして幸せに老いるというのは、政治が目指すべき大きな目標であります。このため、我々は社会保障や公衆衛生、社会サービスの分野で様々な試行錯誤を重ねながら施策を実施し、国民の生活水準の向上に努めてきました。我が国においては、例えば一九四七年と現在を比較すると、平均寿命は男五〇・〇六歳、女五三・九六歳からそれぞれ七六・五七歳、八二・九八歳となり、この間病気などで亡くなる日本人の割合は大きく減少してきました。こうした試行錯誤、経験に関する情報を、この分野に力を入れようとする開発途上国のために提供すれば、これらの国の効率的な政策の実

施に資するであろうと考えます。

同時に急速な高齢化は従来の政策体系では対応できない状況を生み出しつつあります。従来の医療では完全に治癒させることが困難な疾患を持つ高齢者が増えるとともに、介護サービスに対する需要が急速に増大してきています。また、医療や年金といった社会保障給付に関する費用も増大してきており、これに伴う社会保障負担を見ると、例えば日本では、一九五五年には国民所得に占める割合が三・三%であったものが、今日では一四・一%になり、一五年後には一八%程度になるものと見込まれております。このような新たなニーズへの対応、社会保障にかかる負担の問題は先進国に共通のものであり、お互いの知恵や経験を分かち合うことにより問題解決に取り組み、政治に期待される役割を果たしていくことが重要であると考えます。以上が今回の提案を行った真意です。

このように益々重要になってきている福祉の問題に対し、我々は日頃より種々知恵を絞って取り組んできているわけですが、社会保障システムが我々の間でも国により様々であることを踏まえつつ、お互いの福祉分野での経験や知恵を分かち合うことを通じて、問題の解決を図っていくことが重要であると考えています。このような福祉の問題は複雑多岐に亘るものであり、私は、この程日本政府部内にタスクフォースを設置し、次のような点を含め検討させているところですが、検討の結果、更に具体化した考えを追って御連絡したいと思います。

一、まず、我々G7各国を含めた先進国間での議論のためには、これまでこの分野での作業の蓄積があるOECDを、今後とも積極的に活用していくことが有益であると考えます。OECDにおいては、例えば高齢化に伴う年金、医療、介護等の社会保障の分野に関し先進国間に共通する問題点を洗い出し、

各国の知恵や経験の交換を参考にしつつ分析作業を行うことで、各国の今後の政策の方向付けに有益な示唆を与えることができるでしょう。さらに、途上国との関係では先進国から途上国に対する種々のフォーラムやプログラムによる制度づくり、人づくりの為の支援や福祉向上の為の援助の必要性があると考えます。OECDの活用方法については、G7首脳各位の意見を承りたいと思っています。なお、ジョンストンOECD事務総長に対しては、先に我が国より本構想への理解と協力を要請したところです。

二、また、こうした知見の交換の場を設定すべく、国際的な会議を招集することも有益であると考えています。なお、我が国は本年四月のリールでの雇用関係閣僚会議において、来年雇用に関する専門家会合を日本で開催することを提案しています。雇用問題も世界福祉イニシャティヴが取り組むべきひとつの重要な分野であると考えており、今後日本での雇用会合開催のタイミン

グ、テーマ等の具体化を図っていく上で、この福祉イニシアティヴとの関連性についても十分念頭に置いてまいりたいと考えております。

いずれにせよ来年のデンバー・サミットで我々が本件について議論を行う準備として、種々の論点に関し今後シェルパ間での議論を活発化させていくことが重要であると考えております。

THE WHITE HOUSE
WASHINGTON, D.C. 20500

DATE: 8-8

TO: Fred Dohse

FROM: Staff Secretary

fyi. Slightly weird.
I leave it to you guys.

[illegible]

96 AUG 5 P 8:39

August 5, 1996

TO: Mr. Todd Stern
Staff Secretary to the President
Fax 456-2215

Thomas A. Johnson

FROM: Thomas A. Johnson (703) 960-5967 (phone and fax)
5711 Heritage Hill Court
Alexandria, VA 22310

SUBJECT: August 6 Visit of the Swedish Prime Minister--Proposed Agenda Item concerning Parental Child Abduction (PCA): Unanswered U.S. Diplomatic Note to Sweden and Direct Swedish Government Support for Criminal Conduct

Although I am a Department of State employee, I am sending this memorandum and its attachments to you as a private citizen and as a parent, on behalf of all American (and other) parents whose children have been abducted to (or wrongfully retained in) Sweden with the direct support of the Government of Sweden. Accordingly, this memorandum is, of course, not on Department of State letterhead, and I do not purport to speak for any office or individual within the Department. The number above is my home telephone/fax number.

After reviewing the attachments, I hope you will agree on the merits that my daughter and I should not be disadvantaged because of my employment and that this is unquestionably a government-to-government matter involving intolerable mistreatment of American citizens by the Swedish Government. This is NOT an isolated case, and there will be many more in the future, unless a clear message is delivered to the Government of Sweden that there will be real-world consequences for its institutionalized support of parental child abduction. Without meaning to diminish in any way the terrible losses suffered by our fellow citizens in recent incidents, I would simply note that there are many ways for a parent to lose a child (and vice versa), and that there are many forms of government-sponsored terrorism. Government support of parental child abduction is especially cruel and inexcusable, particularly when the government concerned (as in the case of Sweden) is a Party to an international treaty that effectively addresses the problem when implemented.

The purpose of this memorandum and its attachments is to ensure that appropriate members of the White House staff and the President are fully aware of information that may not otherwise have been provided <u>BEFORE</u> the President actually meets with the Swedish Prime Minister tomorrow. If this information has not previously been received, my hope is that it will enable the President to avoid following an incomplete agenda that would send the wrong message to the Government of Sweden by failing to raise an important pending issue: the need for an immediate return of my daughter (Amanda Kristina Johnson) and other abducted or wrongfully retained American children in Sweden, in accordance with Sweden's international legal obligations.

My specific request is that the President utilize talking points along the lines of those on pages 4 and 5 of this memorandum to follow up a very strong diplomatic note (copy attached) that was delivered to the Swedish Foreign Ministry on June 20, but not yet answered. In view of the rather extraordinary nature of the note, silence or a lack of forceful follow-up during the Prime Minister's visit will encourage the GOS to ignore the note and dismiss it as something drafted by me (as good as it is, it would have said much more had I had been allowed to participate in the drafting) or something done merely for the record to appease me or the Members of Congress who will inevitably get involved in considering remedial measures (most of which can be taken directly by Congress). In short, without assertive follow-up actions by the highest levels of the U.S. Government, there almost certainly will be no meaningful response. I did not draft the attached memorandum entitled "Mandy Johnson Case--Argument for High Level Intercession," but it states the case better than I can.

A related issue is the direct involvement of the GOS in financing and otherwise supporting the abduction (or wrongful retention) by Swedish citizens of my daughter and other American children (please see the attachment on the Swedish Government's support system for this conduct). American victims of Swedish child abductors are up against the full weight of the Government of Sweden, in a manner that is utterly inconsistent with Sweden's status as a Party to the Hague Convention on the Civil Aspects of International Child Abduction and Sweden's self-proclaimed status as the "conscience of mankind" on human rights matters generally. Arguably, especially in view of the Administration's well-known commitment to human rights in general and children's rights in particular, this issue alone would have justified a refusal to meet with the Swedish Prime Minister. A more effective approach, however, is to hold the meeting and vigorously raise an issue that clearly outweighs any other U.S. Government interest with Sweden, as well as any goal of "good relations" for their own sake.

International parental child abduction cases are NOT mere "custody disputes" or "personal matters," as some interested solely in "good relations" may argue. Both Congress and the President recognized this in enacting and signing, respectively, the International Parental Kidnapping Crime Act of 1993 (the President's signing statement is attached) and in ratifying the Hague Convention. Sweden's conduct as a government violates its Hague Convention obligations, and the conduct that the GOS finances and otherwise supports constitutes federal and state felonies against American children and their parents. There is no adequate way to describe the human toll of such a case, but the financial toll on me of the Swedish Government's direct support of its child abductors is measurable: more than $100,000 thus far in legal fees and other expenses during the past 18 months plus $90,000 in 1993 to produce the agreed Virginia court order that Sweden has now failed to respect, in violation of the Hague Convention. As a practical matter, the Government of Sweden has stolen these savings from my daughter and me simply because I have tried to maintain a joint custody situation and have resisted the standard Swedish approach of attempting to eliminate foreign fathers from the lives of dual national children that set foot in Sweden.

Time is of the essence in any child abduction case. The Hague Convention calls for a six-week timeframe, but Sweden has now dragged out this case for more than 18 months. Amanda remains in Sweden only as a result of her mother's criminal conduct and Sweden's failure to comply with its treaty obligations. Mandy (a few photos are attached) is now 8 (9 in November) and was last here nearly two years ago. She has been deprived since then of her father, only living grandparent, three cousins, friends and classmates, and the overall environment she has known the longest. As a prominent Swedish judge and personal friend has commented to me, "We are back in the jungle" if the Swedish courts fail to respect agreed court orders like the one in this case. The Hague Convention was intended to move things out of the jungle, but Sweden is effectively frustrating that intent.

Any presentations to Swedish Foreign Ministy personnel will fall on deaf ears. The Swedish Foreign Ministry has solidly supported its employee from the outset, even to the extent that the MFA Legal Adviser himself violated both Swedish law and the Hague Convention in trying to assist the Swedish child abductor in avoiding service of Virginia court papers by the Swedish Police. Sweden takes care of its citizens right or wrong, which might be somewhat laudable in cases where the rights of others are not violated. The United States should at least take care of its youngest citizens, especially when they are the victims of crimes directly aided and abetted by a foreign government.

The final attachment (received just last week) makes clear that the U.S. diplomatic note of June 20 has had no impact and is a good example of what American citizens face at the hands of the Swedish Government. Not satisfied with stealing my only child, the Government of Sweden expects me to pay for this privilege dating back to June 1995 (when Sweden first violated the Hague Convention by failing to return Mandy in accordance with a Virginia court order). You will note that the Swedish child support agency has reversed an earlier decision based on the decisions of four Swedish courts that Amanda's residence was not in Sweden or that Sweden had no jurisdiction in the case, and now demands that I reimburse the Government of Sweden for "maintenance" it will pay (in addition to the regular monthly allowance paid per child to all Swedish parents) until Mandy's 18th birthday. Such payments to a woman who has committed state and federal felonies, violated the Hague Convention, and breached various provisions of Swedish law not only condones her conduct, but is an illustration of how the Swedish Government eliminates both legal and financial risk for its child abductors, while holding itself out as a Party to the Hague Convention and reaping its benefits.

More importantly for the issue at hand, this letter is just one indication of the deep contempt of the Swedish Government for the United States Government, the U.S courts and legal system, and individual Americans. Based on Sweden's overall experience with the United States over the last 60 years and the virtually complete absence of negative consequences for its support of our enemies and its countless affronts to the U.S. Government and American citizens, this contempt is fully justified. Silence or gentle, low level presentations on the abductions of Amanda and other American children during the Prime Minister's visit will only guarantee more cases like Amanda's in the future by reinforcing Sweden's confidence that there is no downside risk to its conduct, since the U.S. is the ultimate "paper tiger" in representing its citizens.

Suggested talking points follow:

--We are very concerned about the continuing problem of parental child abduction between Sweden and the United States and are convinced that the Hague Convention on the Civil Aspects of International Child Abduction must be implemented consistently, fairly, and promptly in all cases.

--Regrettably, this did not happen in a case decided by your Supreme Administrative Court (Regeringsratten) on May 9, 1996 involving the wrongful retention by a Swedish diplomat of Amanda K. Johnson of Alexandria, Virginia.

--This was the second time in recent months (in the only two Hague Convention cases ever taken up by the Regeringsratten) that an American parent came within hours of having a child returned based on a Swedish Appeals Court decision after lengthy and expensive litigation, only to have a last-minute stay prevent the return, followed after four or five months of inexplicable delays by a reversal of the lower courts altogether.

--A diplomatic note was delivered to your Foreign Ministry on June 20, 1996 declaring Sweden to be in violation of its obligations under the Hague Convention, and urging the Government of Sweden to amend its domestic legislation so as to be consistent with Sweden's obligations under the Hague Convention and "to take all other necessary steps to correct the Regeringsratten decision" of May 9.

--We are unaware of any reply to our note of June 20. There is also no indication that the Regeringsratten even considered the United States Government Statement of Interest submitted to the court on January 30, and there has never been a reply by the Swedish Central Authority for the Hague Convention to the U.S. Central Authority's six-page memorandum of August 15, 1995 concerning this case.

--Amanda Johnson remains in Sweden today only because of the wrongful conduct of her Swedish parent and Sweden's failure to comply with its international legal obligations under the Hague Convention

--Amanda should have been returned to her American parent during the summer of 1995, and the continuing failure of Sweden to return her in accordance with the Hague Convention is unacceptable.

--We request an immediate return of this child, so that she can begin fourth grade on time in Virginia this fall, in accordance with the Virginia court order agreed to by both parents.

August 5, 1996

TO: Mr. Todd Stern
Staff Secretary to the President
Fax 456-2215

Thomas A. Johnson

FROM: Thomas A. Johnson (703) 960-5967 (phone and fax)
5711 Heritage Hill Court
Alexandria, VA 22310

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OUTGOING TELEGRAM

Department of State

ORIGIN L-00

INFO LOG-00 CA-02 OASY-00 EUR-00 TEDE-00 ADS-00 NSCE-00
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SOURCE: KODAKC.198275
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FM SECSTATE WASHDC
TO AMEMBASSY STOCKHOLM PRIORITY

UNCLAS STATE 127368

E.O. 12958: N/A
TAGS: CASC
SUBJECT: DIPLOMATIC NOTE REGARDING THE REGERINGSRATTEN DECISION OF MAY 9, 1996 IN THE JOHNSON ABDUCTION CASE

1. THE DEPARTMENT HAS CAREFULLY REVIEWED THE REGERINGSRATTEN DECISION OF MAY 9, 1996 REGARDING AMCIT THOMAS JOHNSON'S APPLICATION FOR THE RETURN OF HIS DAUGHTER, AMANDA KRISTINA JOHNSON, UNDER THE HAGUE CONVENTION ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION. THIS DECISION CALLS INTO QUESTION SWEDEN'S ADHERENCE TO THE HAGUE CONVENTION. POST IS REQUESTED TO DELIVER A DIPLOMATIC NOTE TO THE MFA INCORPORATING THE FOLLOWING TEXT. PLEASE SLUG ANY REPORTS ON THE SWEDISH RESPONSE TO THE DIPLOMATIC NOTE FOR EUR/NB, L/CA AND CA/OCS/CI.

2. (COMPLIMENTARY OPENING) AND REFERS TO THE REGERINGSRATTEN SUPREME ADMINISTRATIVE COURT DECISION OF 9 MAY 1996 IN CASE NO. 7505-1995. IN THIS DECISION, THE REGERINGSRATTEN DENIED THE PETITION OF MR. THOMAS JOHNSON, A UNITED STATES CITIZEN, UNDER THE HAGUE CONVENTION ON THE CIVIL ASPECTS OF INTERNATIONAL CHILD ABDUCTION ("HAGUE CONVENTION") FOR THE RETURN OF HIS DAUGHTER, AMANDA KRISTINA JOHNSON, TO THE UNITED STATES. THE UNITED STATES FINDS THIS DECISION INCONSISTENT WITH THE PLAIN LANGUAGE OF THE HAGUE CONVENTION AS WELL AS THE OVERALL OBJECT AND PURPOSE OF THE CONVENTION WHICH ARE, AS STATED IN ARTICLE 1, TO "SECURE THE PROMPT RETURN OF CHILDREN WRONGFULLY * RETAINED IN A CONTRACTING STATE" AND TO "ENSURE THAT THE RIGHTS OF CUSTODY AND ACCESS UNDER THE LAW OF ONE CONTRACTING STATE ARE EFFECTIVELY RESPECTED" IN OTHER CONTRACTING STATES. MORE SPECIFICALLY, THE REGERINGSRATTEN DECISION DISREGARDS SWEDEN'S OBLIGATIONS UNDER ARTICLES 1, 3 AND 16 OF THE HAGUE CONVENTION.

IN 1986, MR. JOHNSON MARRIED A SWEDISH CITIZEN, MS. ANNE FRANZEN. AMANDA KRISTINA JOHNSON WAS BORN IN SWITZERLAND IN 1987 TO MR. JOHNSON AND MS. FRANZEN. AMANDA JOHNSON LIVED WITH HER PARENTS IN SWITZERLAND UNTIL 1990. FROM 1990 UNTIL 1993, AMANDA JOHNSON LIVED IN THE UNITED STATES, ALTERNATELY WITH HER FATHER IN VIRGINIA AND WITH HER MOTHER IN NEW YORK. IN FEBRUARY 1992, MR. JOHNSON AND MS. FRANZEN WERE DIVORCED, AND VOLUNTARILY ENTERED INTO A CONSENSUAL CUSTODY AGREEMENT, EXECUTED BY A VIRGINIA STATE COURT, TO SHARE JOINT LEGAL AND PHYSICAL

CUSTODY WITH PRIMARY CUSTODY SHIFTING BETWEEN THE FATHER AND MOTHER APPROXIMATELY EVERY TWO YEARS. UNDER THE 1992 AGREEMENT, EACH PARENT WAS ENTITLED TO LIBERAL VISITATION WITH AMANDA DURING THE TIME THAT THE OTHER PARENT ENJOYED PHYSICAL CUSTODY. IN FEBRUARY 1992, AMANDA WAS CLEARLY "HABITUALLY RESIDENT" IN THE UNITED STATES WITHIN THE MEANING OF ARTICLE 4 OF THE HAGUE CONVENTION. IN ACCORDANCE WITH THE 1992 CUSTODY AGREEMENT, IN JUNE 1993, AMANDA LEFT THE UNITED STATES TO LIVE IN SWEDEN WITH HER MOTHER FOR TWO ACADEMIC YEARS, OR UNTIL AUGUST 1995, AT WHICH TIME HER FATHER WAS TO RECEIVE PRIMARY PHYSICAL CUSTODY.

CONSISTENT WITH THE FACT THAT AMANDA WAS HABITUALLY RESIDENT IN THE UNITED STATES AT THE TIME OF THE AGREEMENT, THE FEBRUARY 1992 CUSTODY ORDER WAS MODIFIED AND FINALIZED IN DECEMBER 1993 TO INCLUDE A VOLUNTARY, CONSENSUAL AGREEMENT BY BOTH MR. JOHNSON AND MS. FRANZEN THAT THE STATE OF VIRGINIA WOULD REMAIN THE PLACE OF AMANDA'S HABITUAL RESIDENCE AND THAT THE VIRGINIA COURT WOULD MAINTAIN CONTINUING AND EXCLUSIVE JURISDICTION TO RESOLVE ALL FUTURE CUSTODY ISSUES. SPECIFICALLY, THE DECEMBER 1993 CUSTODY ORDER STATED THAT

"IT IS THE INTENT OF THE PARTIES THAT THE COMMONWEALTH OF VIRGINIA SHALL BE THE ONLY FORUM FOR THE ADJUDICATION OF CUSTODY OR VISITATION MATTERS INVOLVING THE CHILD AMANDA KRISTINA JOHNSON . . .

NOTWITHSTANDING THE EXISTENCE OF THE DECEMBER 1993 CUSTODY ORDER, INCLUDING THE VOLUNTARY AGREEMENT REGARDING THE VIRGINIA COURT'S EXCLUSIVE JURISDICTION OVER CUSTODY MATTERS, IN JANUARY 1995, MS. FRANZEN FILED A PETITION IN THE SOLNA DISTRICT COURT OF SWEDEN SEEKING TO ESTABLISH SOLE CUSTODY OF THE CHILD. FURTHERMORE, IN AUGUST 1995, MS. FRANZEN REFUSED TO RETURN AMANDA TO HER FATHER AS AGREED TO BY MS. FRANZEN AND DULY MEMORIALIZED IN THE DECEMBER 1993 CUSTODY ORDER. MS. FRANZEN'S REFUSAL TO RETURN AMANDA JOHNSON TO HER FATHER PROMPTED MR. JOHNSON TO FILE A PETITION WITH THE SWEDISH CENTRAL AUTHORITY FOR THE RETURN OF AMANDA UNDER THE HAGUE CONVENTION.

AS NOTED ABOVE, THE HAGUE CONVENTION ESTABLISHES A MECHANISM TO ENSURE "THE PROMPT RETURN OF CHILDREN WRONGFULLY . . . RETAINED IN A CONTRACTING STATE.11 A COURT ADJUDICATING A HAGUE CONVENTION PETITION MUST ORDER THE RETURN OF A CHILD TO THE COUNTRY OF THE CHILD'S HABITUAL RESIDENCE UNLESS THE COURT FINDS THAT A SPECIFIC ARTICLE 13(B) EXCEPTION TO THE RETURN DUTY APPLIES. THE 9 MAY 1996 REGERINGSRATTEN DECISION CONTRAVENES THE HAGUE CONVENTION. WITHOUT INVOKING AN ARTICLE 13(B) EXCEPTION, THE REGERGINSRATTEN DECLINED TO RETURN AMANDA JOHNSON TO THE UNITED STATES, WHERE SHE HAD BEEN HABITUALLY RESIDENT, THUS PREVENTING HER FATHER FROM EXERCISING PHYSICAL CUSTODY DURING THE REMAINDER OF THE 1995-1996 ACADEMIC YEAR AND THE FOLLOWING YEAR. NOTWITHSTANDING THE FACT THAT AMANDA HAD BEEN HABITUALLY RESIDENT IN THE UNITED STATES FOR SEVERAL YEARS AT THE TIME HER PARENTS AGREED THAT SHE WOULD LIVE IN THE UNITED STATES FROM AUGUST 1995 UNTIL AUGUST 1997, THE EXISTENCE OF THE DECEMBER 1993 VIRGINIA CUSTODY ORDER, AND EARLIER DECISIONS BY BOTH THE LANSRATTEN ADMINISTRATIVE TRIAL COURT AND THE KAMMARATTEN ADMINISTRATIVE APPEALS COURT ORDERING AMANDA'S RETURN TO THE UNITED STATES UNDER THE HAGUE CONVENTION, THE REGERINGSRATTEN SURPRISINGLY FOUND THAT SWEDEN AND NOT THE

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Department of State

UNITED STATES WAS AMANDA'S PLACE OF HABITUAL RESIDENCE.

FOCUSING ON THE SWEDISH LAW OF "HEMVIST," THE REGERINGSRATTEN BASED ITS DECISION ON THE GROUNDS THAT AMANDA HAD BEEN LIVING IN SWEDEN FOR A LITTLE OVER TWO YEARS, THAT SHE HAD ADAPTED TO LIFE IN SWEDEN, AND THAT THE 1993 VIRGINIA CUSTODY ORDER ACCORDED HER MOTHER A GREATER NUMBER OF YEARS OF PRIMARY CUSTODY THAN HER FATHER. SUCH REASONING TURNS THE CONVENTION ON ITS HEAD BY REWARDING THE VERY TYPE OF CONDUCT THAT IT IS DESIGNED TO DETER. THIS DECISION PERMITS A PARENT WRONGFULLY TO RETAIN A CHILD FOR THE PURPOSE OF RE-OPENING A CUSTODY PROCEEDING IN A MORE SYMPATHETIC JURISDICTION, WHEREAS THE CONVENTION REQUIRES PARENTS TO RESOLVE CUSTODY DISPUTES IN THE CHILD'S PLACE OF HABITUAL RESIDENCE OR THE COUNTRY OF ORIGINAL JURISDICTION.

THE REGERINGSRATTEN DECISION REPRESENTS A SERIOUS DEPARTURE FROM SWEDEN'S OBLIGATIONS UNDER ARTICLES 1, 3

AND 16 OF THE HAGUE CONVENTION. SPECIFICALLY, ARTICLE 1 REQUIRES)RIGHTS OF CUSTODY AND ACCESS UNDER THE LAW OF ONE CONTRACTING STATE TO BE EFFECTIVELY RESPECTED" IN OTHER CONTRACTING STATES. THE REGERINGSRATTEN DECISION FRUSTRATES THE RIGHTS OF CUSTODY ENJOYED BY MR. JOHNSON PRIOR TO AMANDA'S WRONGFUL RETENTION IN SWEDEN. THESE CUSTODY RIGHTS WERE MUTUALLY AGREED UPON BY BOTH MS. FRANZEN AND MR. JOHNSON AND ESTABLISHED UNDER THE LAW OF THE UNITED STATES BY VIRTUE OF THE DECEMBER 1993 STATE OF VIRGINIA CUSTODY ORDER. ARTICLE 3 OF THE CONVENTION STATES THAT THE RETENTION OF A CHILD IS WRONGFUL WHERE "IT IS IN BREACH OF RIGHTS OF CUSTODY ATTRIBUTED TO A PERSON * . EITHER JOINTLY OR ALONE . . . UNDER THE LAW OF THE STATE IN WHICH THE CHILD WAS HABITUALLY RESIDENT IMMEDIATELY BEFORE THE . . . RETENTION. " ARTICLE 3 FURTHER PROVIDES THAT RIGHTS ?? CUSTODY MAY ARISE "BY REASON OF AN AGREEMENT HAVING LEGAL EFFECT." IT IS INDISPUTABLE THAT THE DECEMBER 1993 VIRGINIA COURT ORDER GRANTED MR. JOHNSON JOINT PHYSICAL AND LEGAL CUSTODY OVER AMANDA JOHNSON, AND THAT BOTH MS. FRANZEN AND MR. JOHNSON ENTERED "AN AGREEMENT HAVING LEGAL EFFECT," ESTABLISHING THE STATE OF VIRGINIA AS AMANDA'S PLACE OF HABITUAL RESIDENCE. IN THIS REGARD, THE REGERINGSRATTEN ALSO OBSERVED THAT AMANDA WAS LIVING IN SWEDEN "AGAINST HER FATHER'S WILL." MS. FRANZEN'S RETENTION OF AMANDA JOHNSON AFTER AUGUST 1995 WAS AND CONTINUES TO BE CLEARLY WRONGFUL WITHIN THE MEANING OF ARTICLE 3.

ADDITIONALLY, ARTICLE 16 OF THE HAGUE CONVENTION PROHIBITS THE COURTS OF THE STATE IN WHICH A CHILD HAS

BEEN WRONGFULLY RETAINED TO DECIDE ON THE MERITS OF CUSTODY. BY DECLINING TO ORDER THE RETURN OF AMANDA TO THE UNITED STATES, THE REGERINGSRATTEN HAS EFFECTIVELY TRANSFERRED JURISDICTION OVER THE MERITS OF CUSTODY FROM THE VIRGINIA STATE COURT TO THE COURTS OF SWEDEN, WHERE AMANDA HAS BEEN WRONGFULLY RETAINED. AS NOTED IN THE TRAVAUX PREPARATOIRES, ARTICLE 16 SEEKS TO PREVENT "A DECISION ON THE MERITS OF CUSTODY BEING TAKEN IN THE STATE OF REFUGE." UNDERLINECONVENTION AND RECOMMENDATION ADOPTED BY THE FOURTEENTH SESSION AND EXPLANATORY REPORT BY ELISA PEREZ-VERA,END UNDERLINE APRIL 1981. (HEREINAFTER PEREZ-VERA REPORT)

THE DECISION OF THE REGERINGSRATTEN NOT ONLY DEROGATES FROM SWEDEN'S OBLIGATIONS UNDER ARTICLES 1, 3 AND 16 OF THE HAGUE CONVENTION, BUT ALSO THREATENS THE GREATER OBJECTIVES OF THE CONVENTION, WHICH ARE TO DETER

PARENTAL KIDNAPPING BY ELIMINATING THE ADVANTAGES THAT MAY BE ENJOYED BY THE ABDUCTOR IN THE COUNTRY TO WHICH THE CHILD HAS BEEN WRONGFULLY RETAINED, TO PREVENT A PARENT WHO HAS WRONGFULLY RETAINED A CHILD FROM UNILATERALLY ESTABLISHING JURISDICTION IN HIS/HER COUNTRY OF NATIONALITY WITH A VIEW TOWARD OBTAINING CUSTODY, AND, MOST IMPORTANTLY, TO PROTECT CHILDREN BY ENSURING THAT THEY ENJOYCLOSE CONTACT WITH BOTH PARENTS CHARGED WITH THEIR UPBRINING. FURTHERMORE, THE HAGUE CONVENTION ALSO SEEKS TO PROTECT THE RIGHTS OF JOINT CUSTODY. IN THIS REGARD, THE TRAVAUX PREPARATOIRES ARE UNAMBIGUOUS: "...FROM THE CONVENTION'S STANDPOINT, THE REMOVAL OF A CHILD BY ONE OF THE JOINT HOLDERS WITHOUT THE CONSENT OF

THE OTHER, IS ... WRONGFUL, ... AND THIS WRONGFULNESS ... DERIVES FROM THE FACT THAT SUCH ACTION HAS DISREGARDED THE RIGHTS OF THE OTHER PARENT ... AND HAS INTERFERED WITH THEIR NORMAL EXERCISE. . . (T)HE WHOLE TENOR OF ARTICLE 3 LEAVES NO ROOM FOR DOUBT THAT THE CONVENTION SEEKS TO PROTECT JOINT CUSTODY. . I UNDERLINEPEREZ-VERA REPORTEND UNDERLINE AT 35, 40.

FOR THE REASONS STATED ABOVE, THE UNITED STATES CONSIDERS SWEDEN TO BE IN VIOLATION OF ITS OBLIGATIONS UNDER THE HAGUE CONVENTION. THE DECISION OF THE REGERINGSRATTEN WILL NOT ONLY DISCOURAGE THE VOLUNTARY SETTLEMENT OF CHILD CUSTODY DISPUTES BETWEEN CITIZENS OF THE UNITED STATES AND SWEDEN, BUT IT WILL ALSO TEND TO DISCOURAGE VOLUNTARY SETTLEMENT BETWEEN PARENTS OF ALL HAGUE CONVENTION CONTRACTING STATES. AS A RESULT OF THIS DECISION, CHILDREN WHOSE PARENTS ARE OF DIFFERENT NATIONALITIES ARE LESS LIKELY TO ENJOY REGULAR CONTACT WITH BOTH PARENTS, TO DEVELOP STRONG TIES WITH BOTH

PARENTS, OR TO BE PROTECTED FROM THE HARMFUL EFFECTS OF SELF-HELP MEASURES UNDERTAKEN BY PARENTS TO GAIN AN UPPER HAND IN RESOLVING CHILD CUSTODY DISPUTES. IN OTHER WORDS, THE DECISION CAN BE EXPECTED TO HAVE AN IMMEDIATE, NEGATIVE EFFECT ON TRANSNATIONAL CUSTODY DISPUTES AMONG NATIONALS OF CONVENTION STATES, -- A RESULT THAT IS MANIFESTLY AND SIGNIFICANTLY CONTRARY TO THE HAGUE CONVENT ION AND TO THE BEST INTERESTS OF THE AFFECTED CHILDREN.

THE UNITED STATES INTENDS, THEREFORE, TO RECOMMEND THAT THE AGENDA OF THE 1997 SPECIAL COMMISSION OF THE PERMANENT HAGUE CONFERENCE INCLUDE A DISCUSSION OF HABITUAL RESIDENCE AND JOINT CUSTODY UNDER THE HAGUE CONVENTION FOR THE PURPOSE OF REACHING AN AGREEMENT AMONG CONTRACTING STATES NOT TO SUPPORT SWEDEN'S INTERPRETATION OF THESE TERMS. IN THE MEANTIME, THE UNITED STATES STRONGLY URGES THE GOVERNMENT OF SWEDEN TO AMEND THE 1989 ENFORCEMENT LAW, SWEDEN'S IMPLEMENTING LEGISLATION FOR THE HAGUE CONVENTION, TO REMEDY THE INCONSISTENCY BETWEEN SWEDEN'S HEMVIST LAW AND ITS OBLIGATIONS UNDER THE HAGUE CONVENTION, AND TO TAKE ALL OTHER NECESSARY STEPS TO CORRECT THE REGERINGSRATTEN DECISION OF 9 MAY 1996. CHRISTOPHER

SENSITIVE BUT UNCLASSIFIED

MANDY JOHNSON CASE -- ARGUMENT FOR HIGH LEVEL INTERCESSION

1. (u) It's the right thing to do.

No one in the building disputes the facts of the case -- it is clearly kidnapping under the Hague Convention on parental child abduction, and the executive branch is obligated to implement the decision on behalf of the custody court in Virginia.

2. (u) It's an important bilateral issue.

The protection of American citizens abroad is one of the most important duties entrusted to the State Department. Our equities as executive branch lead in carrying out this nation's laws and in discouraging activities by foreign governments inconsistent with those laws are equally important. The assistance of the Swedish government in protecting "parent kidnappers" -- from providing direct financial and legal assistance to kidnapper parents, to ignoring our diplomatic efforts to resolve the situation, to refusing to abide by decisions of the responsible U.S. court -- must be opposed at a sufficiently high level that they get the message.

3. (u) It's consistent.

We have already issued a strongly-worded diplomatic note and our Ambassador in Sweden has raised this issue at the highest levels of the GOS. If we do not raise it at sufficiently high levels during this bilateral, the Swedes will make the assumption that we do not care enough about this issue to ruffle bilateral relations; that any action we might take at a lower level is purely to assuage an employee; and that they can continue to ignore their treaty obligations, our entreaties and binding legal decisions by not taking action.

4. (u) The need for deterrence.

This case is not unique. The Swedish government has also directly financed, assisted and defended parent child abductors in other cases, which we are also pursuing with them. Their obstructionism must be corrected now, before any other American citizens are victimized.

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5. (u) Bilateral relations as "stalking horse."

We have excellent relations with Sweden and few irritants. Some in the building might argue that we will somehow sacrifice the spirit of the visit if we bring this up. Underlying this argument is the wrong-headed notion that good bilateral relations are an end in themselves, rather than a means to ensure that we address U.S. national interests. We should use our good relations to get what we want -- protection for the rights of U.S. citizens and a Swedish government which abides by its international commitments.

6. (u) The Swedes are playing hardball.

The kidnapper is a relatively high-level official in Sweden's Ministry of Foreign Affairs (Deputy Assistant Under Secretary for Human Rights in the Legal Advisor's Office); the aggrieved parent is a State employee. The Swedish government has supported the mother, through actions and omissions, throughout this ordeal. Unless we give an equal measure of support to Tom Johnson, this is not a fair fight.

7. (u) We don't work for fools.

Some in the building argue that this issue is not appropriately high-level. All I ask is that this issue be brought to the attention of the NSC for the President and the Secretary. Certainly they can decide whether broaching this subject now would endanger more crucial bilateral relations. By not giving them the appropriate information, we take the decision from their hands and risk them getting blind-sided later.

8. (u) Loyalty down/loyalty up.

The military beats into the heads of young officers that loyalty up is the result of loyalty down. If the Secretary of State is not willing to raise this issue of dire consequence to an employee, especially when he has the law and morality on his side, isn't it more difficult to again and again urge State employees to "do more with less" in these tough budget times?

9. (u) Secretary Christopher's role

We are both here to look after the Secretary's interests, which are not served by ducking this one. As a public affairs issue, this is too attractive to stay out of the press or away from Administration critics on the Hill. Since we can predict what will happen (we will be forced by public opinion to do the right thing and look like bumbling time servers in the process), why don't we do the right thing now?

THE SWEDISH GOVERNMENT'S SYSTEM OF SUPPORTING AND FINANCING PARENTAL CHILD ABDUCTION BY SWEDISH CITIZENS

--Overall refusal to extradite Swedish citizens

--No possibility of effective Swedish prosecution of Swedish citizens who commit parental child abduction or custodial interference

--Payment by the Swedish Government of ALL but a token amount of the Swedish abductor's legal fees and related expenses in Sweden OR abroad in Hague Convention cases, except that the victim parent (instead of the Swedish Government) is ordered (in violation of Article 26 of the Convention) to pay the abductor's legal fees and related expenses when a Swedish court refuses to grant a Hague Convention Application

--Either no return from Sweden of abducted children under the Hague Convention or returns only after extraordinarily costly, lengthy, and burdensome proceedings for the victim parent (e.g., full trials at both the trial and appellate levels), with the danger of last-minute stays and interference by Sweden's Social Welfare Authorities

--Payment by the Swedish Government of ALL legal fees and related expenses of Swedish parents in the regular child custody battles in Sweden or abroad against non-Swedish parents which usually follow resolution of a parental child abduction, further disadvantaging and intimidating non-Swedish parents

--Payment by the Swedish Government of child support not paid by foreign fathers (i.e., Swedish Government elimination of any practical impact of Swedish citizens ignoring foreign custody orders, as well as its elimination of any legal risks)

--No requirement of testimony under oath by the abducting parent (i.e., no perjury risk) in Hague Convention proceedings

--No rules of evidence in Hague Convention proceedings in Sweden (especially no hearsay rule), along with no requirement that the authors of documents appear as witnesses to be cross-examined, thus ensuring that the content of testimony, legal briefs, and documents submitted to the Swedish courts is regulated only by the integrity and ethical standards of the Swedish child abductor and the abductor's lawyer

--Free psychiatrists and psychologists from the Social Welfare Authorities for psychiatric/psychological evaluations of children in Sweden (with pro-Swedish results a certainty)

--Swedish law which gives Swedish child abductors a "right of protection" over abducted children and permits the abducting parent to deny the child access to the victim parent, while at the same time, contrary to U.S. law in this area, purporting to criminalize any efforts by a non-Swedish parent with primary or sole custody to attempt to exercise that right without a Swedish court order

--Total support for Swedish child abductors by the Swedish Central Authority under the Hague Convention, combined with the Swedish CA's refusal to assist non-Swedish victims despite its obligations under the Convention

--Virtually unlimited paid leave from work for Swedish child abductors claiming a need to care for the child(ren) but actually working on their cases against non-Swedish parents

--"Address protection" (i.e., legalized disappearance and cut-off of even consular access to children) granted by Swedish authorities with no questions asked, based only on unilateral accusations by the Swedish parent against the non-Swedish parent

--Swedish social welfare laws with no right of appeal which permit the abducting Swedish parent to initiate custody investigations, psychiatric evaluations, and commitment of abducted children to child psychiatric hospitals without consulting the non-Swedish parent, without regard to joint custody and habitual residence outside Sweden, and in violation of the Hague Convention's stay on custody proceedings in the abducting parent's country

--Issuance of replacement Swedish passports on demand (no questions asked) to any Swedish citizen at any Swedish embassy or consulate worldwide (i.e., surrender of a Swedish passport to non-Swedish judicial or other authorities provides no protections or safeguards whatsoever)

--Direct participation in parental child abductions by Swedish embassy or consulate personnel with full diplomatic immunity

--No concept of "contempt of court" and thus generally no effective enforcement of court orders in Hague Convention or child custody cases

--Elderly laymen appointed by the political parties who outnumber the judge 3 to 1 in the trial "court" that deals with Hague Convention cases (a practice under reconsideration in Sweden due to the obvious bias and incompetence of such laymen, especially in interpreting an international treaty)

--No effective enforcement of visitation or access under Swedish custody orders and no implementing legislation for Article 21 of the Hague Convention concerning rights of access

--Children with a Swedish mother fraudulently (but automatically) registered in all Swedish records as born at the place in Sweden where the mother is registered, even if the birth occurred in the United States or Australia or Japan

9/14/95

THE WHITE HOUSE

Office of the Press Secretary

Steiger
Cab

For Immediate Release December 3, 1993

STATEMENT BY THE PRESIDENT

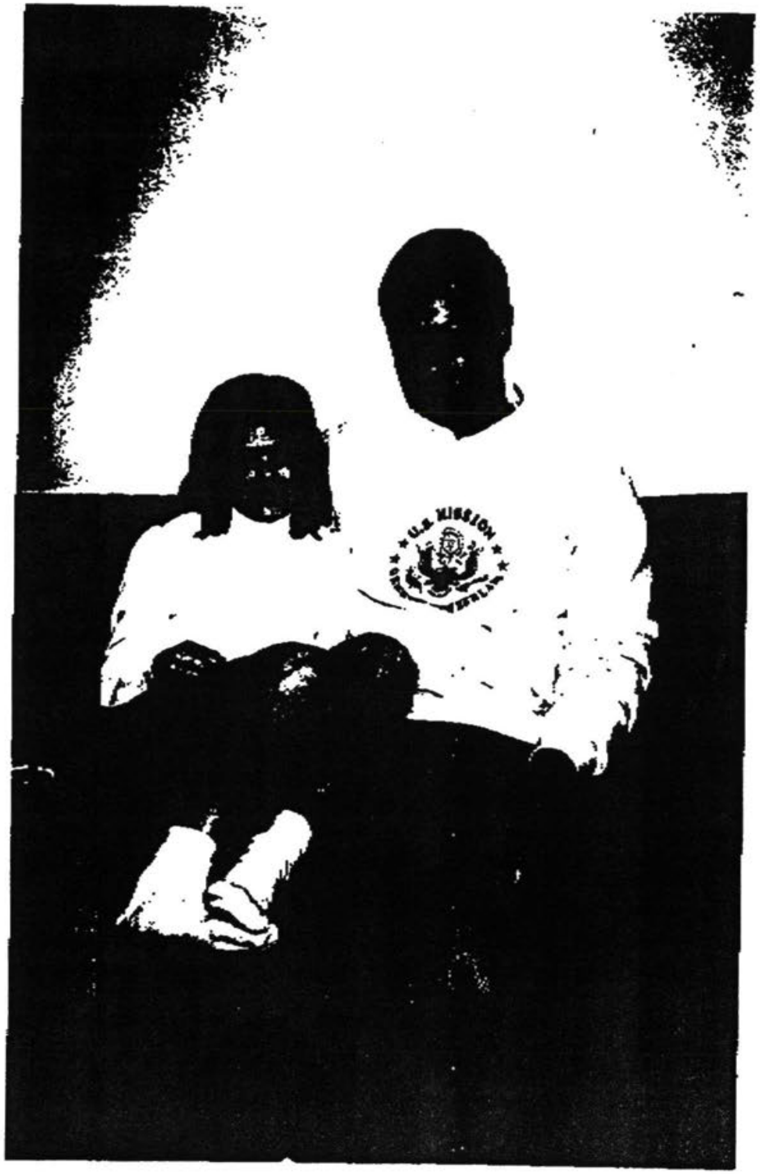
Yesterday, I signed into law H.R. 3378, the "International Parental Kidnapping Crime Act of 1993." This legislation underscores the seriousness with which the United States regards international child abduction. It makes this crime, for the first time, a Federal felony offense.

H.R. 3378 recognizes that the international community has created a mechanism to promote the resolution of international parental kidnapping by civil means. This mechanism is the Hague Convention on the Civil Aspects of International Child Abduction. H.R. 3378 reflects the Congress' awareness that the Hague Convention has resulted in the return of many children and the Congress' desire to ensure that the creation of a Federal child abduction felony offense does not and should not interfere with the Convention's continued successful operation.

This Act expresses the sense of the Congress that proceedings under the Hague Convention, where available, should be the "option of first choice" for the left-behind parent. H.R. 3378 should be read and used in a manner consistent with the Congress' strong expressed preference for resolving these difficult cases, if at all possible, through civil remedies.

THE WHITE HOUSE,
December 2, 1993.

# # #


U.S. MISSION


ROSE BOWL
96

FÖRSÄKRINGSKASSAN

Handling officer, Tel no
Mats Johnsson, 08-676 3755

DECISION

Date 960725

Pers id. no
470785-2457

Please quote this number in all correspondence with the Insurance Office

Johnson, Thomas
5711 Heritage Hill Court
Alexandria, VA 22310
U.S.A.

Dear Mr. Johnson,

Decision – payment of advance maintenance allowances

The Insurance Office has decided to amend its decision of December 27 1995 not to pay advance maintenance to your child Amanda Johnson, pers. id. no. 871111-0547. In consequence, advance maintenance will now be paid to Amanda as of June 1 1995.

The reason for our decision is that you are not contributing to the upkeep of the child.

The amount payable in advance maintenance is at present 1,173 per month and child. Advance maintenance is payable until the month of the child's 18th birthday.

Therefore, for as long as we keep paying Amanda Johnson advances on the maintenance due from you, you are liable to pay your contributions towards her upkeep direct to us at the Insurance Office (ss. 16, Act Concerning Advance Payments of Maintenance Allowances). Maintenance contributions must always be paid out in advance each calendar month.

Yours faithfully,

FÖRSÄKRINGSKASSAN, STOCKHOLMS LÄN

SIV/AI

FKF 3340 b Engelska Fastställd av rfv 82.02 (91.05) (Stal 91-10)

RECONSIDERATION

If you are not satisfied with this decision, you can ask the Insurance Office to reconsider the matter. Write to the Insurance Office and ask them to review their decision. Your letter must have reached the Insurance Office within two months of the date on which you received the decision.

Your letter should include the following:

- Your name, pers. id. no., address and telephone number
- The decision you would like reconsidered
- The changes you wish to have made
- Your grounds for requesting the changes

The letter must be signed either by you personally or by your representative. Remember to include a power of attorney if your representative signs for you.

Further details can be obtained from the Insurance Office.

The National Social Insurance Board can appeal to the County Administrative Court against a decision of the Insurance Office within two months of the date of notification of the decision.

THE WHITE HOUSE

WASHINGTON

August 8, 1996

MEMORANDUM FOR HAROLD ICKES
JANICE ENRIGHT
KAREN HANCOX

CC: PETER KNIGHT

FROM: TODD STERN

SUBJECT: Travelling "Staff Secretary"

I have one slight modification to Peter's memo about the traveling "Staff Secretary". I think Adam would be fine for the purpose of assembling the briefing book materials that will, increasingly, have to get faxed to the road when the President is out for many days at a time. (It would help if he spent a little time with us here getting the logistics clear.) But I don't think Adam would be appropriate to handle the kind of official paper -- e.g., decision memos, Executive Orders, directives to agencies, VIP correspondence -- that the President normally handles in his phone and office time.

To the extent the President is travelling virtually all the time, so that the official paper he handles here has to get dealt with on the road, then either someone like Harold or Bruce may need to spend more time dealing with this paper (both as it goes into the President and routing it to the right place when it comes back from him) or someone from my office could travel.

I think we can play this by ear. The issue of the President being truly unavailable to us at the White House may not arise until the last 3 or 4 weeks of the campaign, and at that point we may find that there isn't much official paper anyhow. But if there is, I think you'd avoid some headaches by having one of my folks travelling.