THE WHITE HOUSE

WASHINGTON

February 9, 1993

PRESIDENTIAL REVIEW DIRECTIVE/NSC-6

PER E.O. 13526 PER E.O. 13526 2020 1627-M (1.98) 912519 KOE

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE

THE SECRETARY OF THE TREASURY

THE SECRETARY OF DEFENSE THE SECRETARY OF COMMERCE

THE DIRECTOR OF CENTRAL INTELLIGENCE UNITED STATES TRADE REPRESENTATIVE THE CHAIRMAN, JOINT CHIEFS OF STAFF

SUBJECT:

U.S. Policy Toward Vietnam (S.)

We are scheduling a Deputies Committee Meeting for the week of February 22, in preparation for a possible Principals Committee Meeting, to consider specific steps we might take with regard to Vietnam. (S)

The objective of this review is to develop broad strategic goals and strategies that will guide our policies toward Vietnam. In preparation for the Deputies Committee meeting and a possible Principals meeting, a decision paper should be prepared based on the best current information, addressing the questions listed below in Parts I and II. No presumptions should be made about limitations on policy. Possible conflicts among different policy options should of course be part of the analysis. (S)

BACKGROUND

The U.S. continues to have important interests in Vietnam: There are 1,654 POW/MIAs not yet fully accounted for in Vietnam and it may be able to assist in accounting for 606 others in Laos and Cambodia; we seek Vietnam's continued cooperation on the implementation of the Cambodian Peace Accords; and we have important humanitarian concerns regarding refugees and human rights. Vietnam is also a potential new commercial market for U.S. goods and services, a market other countries (e.g. Taiwan, Japan, France) are beginning to develop. Additionally, Vietnam has the potential to play a significant role within ASEAN affecting the regional balance of power.

There must be significant progress toward the fullest possible accounting of POW/MIA unresolved cases before the relationship with Vietnam can be placed on a more normal footing. Recently Vietnam has been more forthcoming on information and claims to be

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doing all it can to cooperate. Yet many believe that Vietnam is holding back. (G)

The prospect of UN supervised elections in Cambodia has created widespread interest among other developed countries in increasing international assistance to Cambodia and Vietnam. Many U.S. allies have now established modest bilateral assistance programs. France has told us that it is time to clear Vietnam's IMF arrears and wants us to join a consensus to do so; President Mitterand will have promoted this during his visit to Vietnam. Vietnam has opened its economy to trade and investment and undertaken macroeconomic reforms. Commercial interest and activity also is rapidly expanding. As a result, the ability of the U.S. to continue to block the IMF and World Bank from starting up programs for Vietnam is eroding, thus decreasing U.S. leverage over Vietnam. Some minor steps have been taken to facilitate commercial activity by U.S. companies, but there should be a determination whether further steps would be consistent with U.S. overall interests. TSIL

A review of U.S. policy toward Vietnam should be undertaken to determine how we can continue and, if possible, accelerate efforts to secure the fullest possible accounting of U.S. POW/MIAs from the Vietnam war, provide support for the Cambodian peace process, address important humanitarian concerns, and expand and enhance the opportunities for activity by U.S. businesses. (S)

PART I: ASSESSMENT

- -- What is the evaluation of Vietnam's performance to date in accounting for POW/MIAs, supporting the Cambodian peace process, and meeting humanitarian concerns such as the release of political detainees and treatment of refugees? (C)
- -- What policies and actions have best elicited Vietnam's continued cooperation on POW/MIA, Cambodia and humanitarian issues?
- -- What position are we at on the "roadmap"? (S)
- -- Is the trade embargo effective? (6)
- -- What are the prospects that the U.S. can maintain its leverage over Vietnam by continuing to block loans and programs for Vietnam in the international financial institutions? What are the political and economic costs of this position? (3)
- -- If this leverage cannot be maintained, how long will it be until Vietnam is made eligible for IFI programs? (C)
- -- What are the major commercial opportunities in Vietnam and the nature and extent of other countries' operations in Vietnam? How does our current policy affect our long-term economic interests in Vietnam?

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- What is the degree and nature of Congressional interest in developing the U.S.-Vietnam relationship? (C)
- What actions are necessary to provide adequate protection for the expanded number of U.S. citizens in Vietnam?
- What is the significance of Vietnam in the region? Vietnam's presence in the Spratly islands? (S)

PART II: OPTIONS FOR POLICY

- What are the primary U.S. objectives of U.S. policy toward Vietnam? (S)
- What constitutes the "fullest possible accounting" of the POW/MIA cases? What is the best way to achieve this accounting?(S)
- Does the "roadmap" continue to be the most effective instrument for expressing U.S. policy toward Vietnam?
- What are our options within and beyond the "roadmap"
- In the context of achieving our other objectives, what steps could the U.S. take to expand and enhance the opportunities for U.S. business in Vietnam?
- Under what circumstances should we drop our opposition to clearing Vietnam's arrears, in the face of eroding support for our position? (S)
- How does the issue of normalization of relations with Vietnam relate to other important U.S. interests such as: Peace in Cambodia; regional political stability; the military balance in Asia, (e.g. the dispute over the Spratly Islands); expanding U.S. commercial activity in Southeast Asia; efforts to stem the flow of illegal narcotics; and improving human rights?

PART III: TASKING

- The Assistant Secretary of State for East Asia and Pacific Affairs shall convene an Interagency Working Group, task specific drafting responsibilities, and set deadlines for drafts. Cer
 - Should there be differences of opinion, they shall be clearly stated, rather than forwarding compromises for the sake of an agreed product.
- The final decision paper is due to the NSC on February 19, 1993. (8)

Anthony Lake

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Assistant to the President for National Security Affairs