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**NOTE TO THE SECRETARY-GENERAL**

At the State Department today I had very good meetings with Tom Pickering, David Welch (the new Assistant Secretary for I.O.), and Welch's deputy, Bill Wood. I won't summarise the entire conversations here. But a few points are worth noting, and in one instance I was explicitly asked to convey a message to you.

**Libya**

The message concerns Libya, and the issue was raised by both Pickering and Welch. I told both that this was not a file I am involved in, but that I would be happy to report the message to you. In brief, they are concerned that if you send any clarification to the Libyans that it fully reflect US/UK views on the terms of reference for the trial and imprisonment, and on the suspension of sanctions. Pickering actually hinted that they would be appreciative of reviewing any such communication.

**Iraq**

The issue of Iraq was also raised, principally by Welch. He stated that the constitution of the panels seemed to be going well and that there was new hope for cooperation in the Council at least for the duration of the panels' enquiries. He added a couple of other points as well.

One, he stated the view that the French proposal for moving toward on-going monitoring and verification as well as lifting of sanctions was "not a serious proposal", nor had a real effort been made to sell it to the United States. Apparently, Pickering's conversations with the French were not productive. Welch indicated that the United States would not yield on the disarmament issue or on sanctions. On the latter, he indicated that the argument that, apart from the issue of controlling revenues, there is a similarity between lifting sanctions and lifting the ceiling on oil exports was quite misleading and would simply undermine support in Washington for sustaining the US proposal to lift the ceiling.

Two, you may recall from my report on my last visit with Welch a month ago that he then complained about the influence of "Iraq symps" on the 38<sup>th</sup> floor. I mentioned to him today that you had decided to involve the substantive departments much more extensively in the Iraq issue, and he was pleased to hear that. He also asked me to thank you for your quiet efforts with the P3 to limit (with mixed success) their making Butler an issue in the Council.

## Other Issues

We also discussed your up-coming visit to Washington, the arrears issue and UN reform.

Little progress has been made on arrears but they hope to begin to move forward in the next weeks. Their hope is to limit the number and content of benchmarks - Pickering described this as "the son of Helms-Biden". On the question of reform, Pickering thought that it might be useful for us all to have a serious discussion of what benchmarks are necessary for the Congress *and* are also "doable" from the point of view of the United Nations. When I pointed out to him how difficult it would be to continue to maintain zero nominal budgetary growth into the indefinite future, he asked David Welch to explore the feasibility of gradually moving toward a zero real-growth mode.

A handwritten signature in black ink, appearing to be 'JR', with a large loop and a trailing flourish.

John G. Ruggie  
12 February, 1999