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File
IIASA

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PARIS FOR USOECD (STC EXCON)

E.O. 12356: DECL: OADR
TAGS: KPRP, TNGD, PREL, ETTC, AU, US
SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

REF: (A) 84 VIENNA 17380, (B) 85 VIENNA 13704,
(C) VIENNA 3151, (D) VIENNA 3477, (E) SHULTZ-LANC
LETTER OF AUG. 6, 1984, SS NO. 7452568

SUMMARY

1. (C) TO ASSIST WASHINGTON AGENCIES' CONSIDERATION OF NSF PROGRAM GRANT TO THE INTERNATIONAL INSTITUTE FOR APPLIED SYSTEMS ANALYSIS (IIASA), THIS CABLE REVIEWS IIASA'S RECENT REFORMS AND THEIR IMPLICATIONS FOR U.S. POLICY. IIASA IS A NON-GOVERNMENTAL ORGANIZATION FOUNDED FOR THE PURPOSE OF BRINGING TOGETHER SCIENTISTS FROM EAST AND WEST TO COOPERATE ON COMPUTER ANALYSIS OF WORLD-WIDE SYSTEMS, SUCH AS THE ENVIRONMENT. IN RESPONSE TO AN APPROACH BY AUSTRIA, IIASA'S HOST

COUNTRY, THE PROHIBITION ON USG SUPPORT FOR IIASA WAS CLARIFIED TO ALLOW INDIVIDUAL AGENCIES TO FUND SPECIFIC IIASA PROJECTS ON A SELECTIVE BASIS. SINCE THAT DECISION WAS TAKEN, IIASA HAS ACQUIRED A NEW AMERICAN DIRECTOR WHO HAS INCREASED RELIANCE ON EXTERNAL ORDERS FOR TARGETED RESEARCH PROJECTS IN A BID TO HAVE "MARKET FORCES" ENSURE THE QUALITY AND RELEVANCE OF IIASA'S RESEARCH. THE APPARENT POTENTIAL FOR THE USSR TO USE IIASA FOR ILLICIT TECH TRANSFER HAS DIMINISHED, DUE TO INTERNAL CONTROLS ON ACCESS TO U.S. DATA BANKS AND TO THE INSTITUTE'S AGING COMPUTER HARDWARE NO LONGER BEING AN ATTRACTIVE TARGET.

2. (C) RECENT REFORMS HAVE HELPED IIASA'S MANAGERS OVERCOME SHORT-TERM FINANCIAL PROBLEMS, BUT THEY MAINTAIN THAT FUND-RAISING EFFORTS CANNOT BE FULLY EFFECTIVE UNTIL SOME SYMBOLIC USG PROGRAM SUPPORT CAN BE REGAINED AND CITED AS WASHINGTON RECOGNITION OF IIASA'S REFORMS. BEFORE OUR POLICY IS MODIFIED TO ALLOW ANY RELEASE OF NSF PROGRAM SUPPORT, WE BELIEVE CONSIDERATION SHOULD BE GIVEN TO HOW BEST TO ENCOURAGE FURTHER REFORMS WHICH SUPPORT THE FOLLOWING U.S. OBJECTIVES AT IIASA: PRODUCING HIGH-QUALITY, RELEVANT RESEARCH; EXPOSING A RANGE OF SOVIET RESEARCH METHODOLOGIES. PARA 26 DISCUSSES OPTIONS FOR ADVANCING THESE OBJECTIVES THROUGH A DECISION ON THE NSF GRANT, AND IS FOLLOWED BY SUGGESTED TEXT OF POSSIBLE LETTER FROM THE SECRETARY TO IIASA WHICH COULD BE USED TO UNDERSCORE OUR INTEREST IN SEEING FURTHER REFORMS AT THE INSTITUTE. (THIS CABLE FULFILLS PART OF POST'S FY-86 REPORTING PLAN. FINAL PARA REQUESTS DEPARTMENT CONCURRENCE IN SHIFTING PRIMARY RESPONSIBILITY FOR USG CONTACT WITH IIASA IN VIENNA FROM EMBASSY

VIENNA TO UNVIE MISSION.) END SUMMARY.

IIASA'S BUMPY HISTORY

3. (U) THE U.S. WAS ONE OF THE CO-FOUNDERS OF IIASA WHEN THE INSTITUTE WAS CREATED IN 1972 AMIDST THE HIGH HOPES OF DETENTE. LOCATED NEAR VIENNA, IIASA WAS TO BE A MANIFESTATION OF THAT POLICY IN THE SCIENTIFIC WORLD, WHERE SCIENTISTS FROM EAST AND WEST WOULD WORK BT

No!
To be
reviewed
by NSC

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Nonsense!
How about the Soviet?

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SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

TOGETHER ON COMPUTER SYSTEMS ANALYSIS OF WORLD-WIDE
ISSUES. IT WAS AND IS FORMALLY A NON-GOVERNMENTAL
ASSOCIATION OF NATIONAL MEMBER ORGANIZATIONS (NMO'S) --
THEN FROM 12, NOW FROM 16 NATIONS, INCLUDING ALL
ADDRESSEE CAPITALS EXCEPT LONDON AND BEIJING.
HOWEVER, IT WAS UNDERSTOOD FROM THE START THAT THE
MEMBER DUES WHICH CONSTITUTED IIASA'S PRIMARY SUPPORT
WOULD COME FROM GOVERNMENT FUNDS CHanneled THROUGH
THE NMO'S, AND THAT THE U.S. AND SOVIET MEMBERS EACH
WOULD BE ASSESSED ONE QUARTER OF TOTAL DUES. U.S.
DUES CAME FROM THE NSF THROUGH THE NATIONAL ACADEMY
OF SCIENCES (NAS), THE AMERICAN NMO. AS IIASA EXPANDED
ITS RESEARCH ON GLOBAL SYSTEMS OF ENVIRONMENTAL
POLLUTION, ENERGY RESOURCES, AND FOOD PRODUCTION,
NSF FUNDING GREW FROM DOLS ONE MILLION IN DUES IN
1973 TO DOLS 2.2 MILLION IN PROGRAM DUES AND DOLS 8.8
MILLION IN ADDITIONAL PROJECT FUNDING IN 1979.

4. (C) IN RESPONSE TO U.S. CONCERNS ABOUT MAINTAINING
INFLUENCE AT IIASA, WHEN THE INSTITUTE WAS FOUNDED A
BEHIND-THE-SCENES AGREEMENT WAS REACHED WITH THE USSR
THAT THE DIRECTOR'S POST WOULD BE FILLED BY AN AMERICAN
AND THE CHAIRMAN OF IIASA'S GOVERNING COUNCIL WOULD BE
A SOVIET (AN ARRANGEMENT THAT HAS BEEN THE CASE SINCE,
EXCEPT FOR THE PERIOD 1981-1983 WHEN A CANADIAN
WHO HAD BEEN NOMINATED BY THE NAS SERVED AS IIASA'S
DIRECTOR). DESPITE THIS SAFEGUARD, EARLY U.S. ENTHUSIASM
FOR IIASA WITHERED AS DISILLUSIONMENT WITH 70'S-STYLE
DETENTE GREW. USG BUDGET CONSTRAINTS--AS WELL AS
CONCERN ABOUT EAST-WEST TECHNOLOGY TRANSFER AT IIASA
BEING A ONE-WAY STREET AND THE UNEVEN QUALITY OF ITS
SCIENTIFIC WORK--LED TO A CUT-OFF OF USG FUNDING IN
1982. THE NAS WITHDREW AS AN IIASA MEMBER THAT YEAR
AS DID THE UK NMO, THE ROYAL ACADEMY OF SCIENCES.
THE AMERICAN ACADEMY OF ARTS AND SCIENCE (AAAS) TOOK
OVER THE AMERICAN NMO ROLE THE FOLLOWING YEAR. IN
RESPONSE TO THE APPROACH BY THE AUSTRIAN FOREIGN
MINISTER TO SECRETARY SHULTZ DURING THE VISIT OF THE
AUSTRIAN PRESIDENT TO WASHINGTON IN EARLY 1984,
USG POLICY WAS CLARIFIED TO ALLOW INDIVIDUAL AGENCIES
TO FUND SPECIFIC IIASA PROJECTS BASED ON SCIENTIFIC MERIT
(REF E).

5. (LOU) DESPITE THIS DEVELOPMENT, THE LACK OF USG
PROGRAM SUPPORT AND THE FAILURE OF THE AAAS TO MEET
THE U.S. DUES OBLIGATIONS FROM PRIVATE CONTRIBUTIONS
ADDED TO A SENSE OF DRIFT AT IIASA. IT BECAME
QUESTIONABLE WHETHER THE INSTITUTE COULD SURVIVE
WITHOUT THE ACTIVE SUPPORT OF ONE OF ITS TWO SUPER-
POWER FOUNDERS. WHEN AMCIT TOM LEE TOOK OVER AS
IIASA'S DIRECTOR IN SEPTEMBER 1984, HE FACED THE
TASKS OF GIVING THE INSTITUTE A NEW SENSE OF PURPOSE
AND RESTORING IIASA'S FINANCIAL HEALTH (REF A).
EMBOFFS HAVE RECENTLY SPOKEN WITH LEE, IIASA COUNCIL
SECRETARY JEAN PIERRE AYRAULT, AND OTHERS ON THE
IIASA STAFF TO ASSESS THE PROGRESS MADE TOWARD THESE
GOALS HALFWAY THROUGH LEE'S THREE-YEAR TENURE AS
IIASA DIRECTOR.

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IMPROVING THE RESEARCH PROGRAM

6. (LOU) SINCE GOVERNMENTS ORIGINALLY FUNDED IIASA AS PART OF A POLITICAL COMMITMENT TO EAST-WEST COOPERATION, THEY PAID LITTLE ATTENTION TO THE QUALITY OF ITS SCIENTIFIC PRODUCT, AND THE IMPETUS FOR RESEARCH EXCELLENCE WAS DIMINISHED. AYRAULT DESCRIBES THE PROBLEM AS FAILURE TO "CLOSE THE LOOP": MEMBER GOVERNMENTS PAID FOR IIASA RESEARCH; THE RESULTS OF THE RESEARCH WERE MADE AVAILABLE TO SCIENTIFIC AND INDUSTRIAL COMMUNITIES IN THE MEMBER COUNTRIES; BUT THE MEMBERS OF THOSE COMMUNITIES NEVER DISCUSSED THE USEFULNESS OF THE RESULTS WITH THE GOVERNMENT FUNDING SOURCES. THE RESULTING GAP BETWEEN IIASA'S FUNDING SOURCES AND END-USERS OF ITS RESEARCH MEANT THAT THERE WAS LITTLE FINANCIAL INCENTIVE FOR IIASA TO EXCEL, AND THE INSTITUTE COULD NEVER DEVELOP SOLID CONSTITUENCIES WILLING TO HELP JUSTIFY FUNDING

BASED ON THE USEFULNESS OF IIASA'S SCIENTIFIC WORK. LEE LAUNCHED TWO INITIATIVES DESIGNED TO CORRECT THE PROBLEM BY MAKING IIASA MORE ORIENTED TOWARD ISSUE-ORIENTED RESEARCH RELEVANT FOR "REAL-WORLD" STRATEGIC PLANNING.

7. (LOU) THE FIRST APPROACH WAS TO CREATE AN ADVISORY BOARD OF PROMINENT INDIVIDUALS. THOSE WHO ATTENDED A JUNE 1985 PREPARATORY MEETING WERE SURPRISED TO FIND THAT IIASA HAD NOT GATHERED THEM TOGETHER SOLELY TO MAKE A PITCH FOR DONATIONS, BUT RATHER TO SEEK FRANK ADVICE ON THE INFORMATION NEEDS OF GREATEST IMPORTANCE TO DECISION-MAKERS IN THEIR COUNTRIES. AS A RESULT OF THIS CONSTRUCTIVE APPROACH, WHEN THE ADVISORY BOARD WAS FORMALLY CONSTITUTED IN DECEMBER 1985 IT HAD AS ITS CHAIRMAN DON KENDALL, CHAIRMAN AND CEO OF PEPSICO, AND COULD INCLUDE AMONG ITS MEMBERS FORMER EC COMMISSIONER ETTIENNE DAVIGNON AND THE CHAIRMEN OR PRESIDENTS OF CREDIT LYONNAIS, SIEMENS, FIAT, NEC, AND TOSHIBA, AMONG OTHERS.

8. (LOU) LEE'S SECOND INITIATIVE HAS BEEN A DRIVE TO HAVE 25 PERCENT OF IIASA'S TOTAL BUDGET COVERED BY EXTERNAL (NON-DUES) PROJECT FUNDING (THE 1984 PERCENTAGE WAS 6 PERCENT). THE RATIONALE IS THAT INCREASED RELIANCE ON EXTERNAL FUNDING WILL PROVIDE A DIRECT LINK WITH THE USER COMMUNITY AND ALLOW "MARKET DEMAND" TO SERVE AS AN INDEPENDENT CHECK ON THE QUALITY AND DIRECTION OF IIASA'S WORK. THIS EFFORT TO INCREASE EXTERNAL FUNDING HAS ADVANCED MORE QUICKLY THAN EXPECTED. ALTHOUGH TECHNICALLY 11 PERCENT OF IIASA'S REVENUES CAME FROM SOURCES OTHER THAN DUES IN 1985, AYRAULT TOLD EMBOFF THAT THE 25 PERCENT TARGET WOULD HAVE BEEN MET HAD NOT AMERICAN PROJECT FUNDING BEEN COUNTED AS U.S. PROGRAM DUES IN AN EFFORT TO HELP THE U.S. NMO MEET ITS DUES OBLIGATIONS. IN ANY CASE, THE NEW EMPHASIS ON "REAL-WORLD" ISSUES HAS LED IIASA TO CONCENTRATE ITS PREVIOUSLY DISPARATE RESEARCH INTO FOUR FUNDAMENTAL AREAS: ENVIRONMENT, POPULATION, DECISION SCIENCES, AND THE INTERACTION BETWEEN SOCIAL STRUCTURE, TECHNOLOGICAL CHANGE, AND ECONOMIC GROWTH.

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9. (C) THE SUCCESS IN GARNERING EXTERNAL PROJECT SPONSORSHIP IN 1985 WAS DUE LARGELY TO GOVERNMENTAL ORGANIZATIONS WISHING TO HAVE THE TECHNIQUES DEVELOPED IN IIASA'S GLOBAL STUDIES APPLIED TO SPECIFIC REGIONS. UNIDO, FOR EXAMPLE, CONTRACTED FOR AN ENVIRONMENTAL IMPACT ASSESSMENT OF INDUSTRIAL DEVELOPMENT IN INDIA'S DOON VALLEY, AND CHINA IS FUNDING AN IIASA STUDY ON ALTERNATIVE INTEGRATED DEVELOPMENT STRATEGIES FOR ITS COAL-MINING PROVINCES (THIS IS REGARDED AT IIASA AS A PRELUDE TO THE PRC'S LONG-PLANNED ENTRY AS A FULL IIASA MEMBER, WHICH OUR INSTITUTE CONTACTS BELIEVE HAS BEEN DELAYED DUE TO INTRAMURAL SQUABBLING WITHIN CHINA AS TO WHICH INSTITUTION WILL BE THE CHINESE NMO). THERE HAS BEEN LESS PROGRESS IN MARKETING IIASA RESEARCH TO THE PRIVATE SECTOR. ACCORDING TO AYRAULT, A MAJOR PROBLEM HAS BEEN INDIVIDUAL COMPANIES'

RELUCTANCE TO PAY FOR STUDIES WHEN THE RESULTS WOULD NOT BE KEPT PROPRIETARY. HE BELIEVES A PROMISING STRATEGY FOR CIRCUMVENTING THIS OBSTACLE IS COOPERATIVE FUNDING FOR A SINGLE PROJECT BY SEVERAL COMPANIES IN ONE INDUSTRY. THE PILOT FOR THIS APPROACH WILL LIKELY BE A STUDY OF EUROPEAN TRANSPORT NEEDS WHICH VOLVO, RENAULT, PEUGEOT, DAIMLER-BENZ, AND PERHAPS OTHERS MAY HELP FUND.

FINANCIAL PICTURE IMPROVING, BUT USG STILL THE KEY

10. (LOU) INCREASED EXTERNAL PROJECT FUNDING AND BETTER FINANCIAL MANAGEMENT HAVE HELPED IIASA OVERCOME THE BUDGET CRISIS CAUSED BY THE USG WITHDRAWAL. IN CONTRAST TO 1984, WHEN EXPENSES OF AS 140 MILLION COULD ONLY BE COVERED BY DRAWING ON RESERVES, THE 1985 BUDGET OF AS 160 MILLION WAS FULLY COVERED BY CURRENT REVENUES, AND THE SAME SHOULD BE TRUE FOR THE 1986 BUDGET, ALSO OF AS 160 MILLION. AYRAULT TELLS US THAT FINANCIAL STABILITY MAY BE ADDITIONALLY ENHANCED BY ADOPTION OF A PROPOSAL TO HAVE IIASA MEMBERS BESIDES THE U.S. AND USSR INCREASE THEIR DUES TO 60 PERCENT OF AN EXPANDED BUDGET, AS OPPOSED TO 50 PERCENT CURRENTLY.

11. (C) DESPITE THESE IMPROVEMENTS, LEE AND OTHERS BELIEVE THEY WILL CONTINUE TO BE FETTERED BY THE LINGERING PERCEPTION THAT IIASA'S WORK IS SOMEHOW INIMICAL TO AMERICAN INTERESTS, CAUSED BY THE 1982 USG WITHDRAWAL OF PROGRAM FUNDING. THEY FIRMLY MAINTAIN SOME FORM OF PROGRAM FUNDING BY THE USG IS THE KEY TO IIASA'S FINANCIAL SECURITY, SINCE IT WOULD SYMBOLIZE A USG "SEAL OF APPROVAL" FOR IIASA'S REFORMS AND SO PROVIDE ESSENTIAL LEVERAGE FOR RAISING FUNDS FROM OTHER SOURCES. THIS VIEW LIES BEHIND THE INTENSE IIASA INTEREST IN GAINING FINAL ADMINISTRATION APPROVAL FOR THE DOLS 500,000 PER YEAR PROGRAM FUNDING FOR THREE YEARS RECOMMENDED IN A 1985 CONGRESSIONAL COMMITTEE REPORT AND NOW BEING CONSIDERED BY THE NSF.

12. (C) ALL THOSE WITH WHOM WE SPOKE AT IIASA WERE WILLING TO WORK OUT A PROGRAM REVIEW SYSTEM WHICH BT

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STRUCK THE PROPER BALANCE BETWEEN MANAGEMENT FLEXIBILITY AND "TRACKABILITY" OF NSF MONEY. THERE WAS EVEN SOME HOPE THAT A REVIEW SYSTEM FOR NSF FUNDS COULD SERVE AS A MODEL FOR A WIDER SELF-ASSESSMENT CAPABILITY AT IIASA. LEE HAS BELIEVED FROM THE START OF HIS TENURE THAT BETTER INTERNAL EVALUATION WAS AN ESSENTIAL STEP TOWARD IIASA GAINING THE REPUTATION FOR EXCELLENCE IT NEEDS TO SURVIVE (REF A). FOR THE RECORD, IIASA OFFICIALS SAY THEY WOULD LIKE TO SEE THE USG EVENTUALLY RESTORE FULL FUNDING OF U.S. DUES (NOW SET AT AS 33 MILLION, OR APPROXIMATELY DOLS 2 MILLION AT CURRENT EXCHANGE RATES). NONE, HOWEVER, BELIEVE THAT TO BE A REALISTIC GOAL FOR THE FORESEEABLE FUTURE. LEE AND AYRAULT HAVE SEPARATELY INDICATED THAT A REALISTIC TARGET MIGHT BE EVENTUALLY TO SEEK AN NSF COMMITMENT TO PROGRAM FUNDING OF DOLS ONE MILLION ANNUALLY, WITH THE REMAINDER OF U.S. DUES COMING FROM NON-GOVERNMENTAL

13. (C) WHILE THERE APPEARS TO BE GENERAL AGREEMENT AT IIASA THAT THE NEW EMPHASIS ON EXTERNALLY FUNDED PROJECTS IS AN EXPEDIENT MEANS FOR DEALING WITH IMMEDIATE PROBLEMS, THERE ALSO IS SOME CONCERN ABOUT THE INSTITUTE LOSING SIGHT OF ITS ORIGINAL PURPOSE AS IT BECOMES INCREASINGLY ORIENTED TOWARD SUCH PROJECTS. ONE POSSIBLE ILLUSTRATION OF THIS TENDENCY IS A PROJECT ON "PROCESSES OF INTERNATIONAL NEGOTIATIONS" ("PIN" IN IIASA JARGON) WHICH IIASA WILL UNDERTAKE ON BEHALF OF THE CARNEGIE FOUNDATION BEGINNING IN 1986. CARNEGIE CHOSE IIASA TO CARRY OUT THIS RESEARCH NOT BECAUSE IT INVOLVES SYSTEMS ANALYSIS BUT RATHER BECAUSE IIASA, IN THE WORDS OF THE PROJECT WORKPLAN, "IS THE ONLY NONPOLITICAL EAST-WEST SCIENTIFIC ORGANIZATION THAT IS ATTEMPTING TO DEVELOP COMMON APPROACHES TO INTERNATIONAL ISSUES". SEVERAL IIASA OFFICIALS TO WHOM EMBOFFS MENTIONED THE PIN PROJECT READILY ADMITTED THAT THIS FORAY INTO "SOFT" SOCIAL SCIENCE WAS NOT TERRIBLY COMPATIBLE WITH THE REST OF THE INSTITUTE'S RESEARCH PROGRAM, BUT BELIEVED THE INCONSISTENCY LESS IMPORTANT THAN WINNING CARNEGIE FUNDING.

14. (C) IIASA MANAGEMENT NEVERTHELESS APPEARS DETERMINED TO PRESERVE A HEALTHY SYMBIOSIS BETWEEN EXTERNAL PROJECTS AND THE INSTITUTE'S ORIGINAL INTERNAL ORIENTATION TOWARD RIGOROUS ANALYSIS OF GLOBAL SYSTEMS, FOR PRAGMATIC REASONS IF NOTHING ELSE. AYRAULT'S ARGUMENT IS THAT WITHOUT WINNING A REPUTATION FOR EXCELLENCE IN ITS FUNDAMENTAL RESEARCH PROGRAM, IIASA WILL NOT BE ABLE TO CREATE THE WIDESPREAD AWARENESS ABOUT ITS UNIQUE STATUS ESSENTIAL FOR ATTRACTING EXTERNAL PROJECTS. CONVERSELY, WITHOUT THE FUNDING AND REPUTATION FOR USEFULNESS GAINED THROUGH UNDERTAKING SUCH PROJECTS, THE INTERNALLY GENERATED RESEARCH PROGRAM CANNOT BE SUPPORTED. OUR ASSESSMENT IS THAT THE EVOLUTION OF LONG-TERM STRATEGY NOW UNDERWAY AT IIASA WILL NOT CULMINATE IN ANY MEANINGFUL CHANGE IN THE INSTITUTE'S BASIC ORIENTATION, BUT ONLY IN THE WAY

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E.O. 12356: DECL: OADR
TAGS: KPRP, TNGD, PREL, ETTG, AU, US
SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

THAT FUNDAMENTAL ACTIVITY IS PAID FOR. IN THE PAST, IIASA EXPECTED TO HAVE ITS INTERNAL SYSTEMS ANALYSIS RESEARCH PROGRAM FUNDED BY GOVERNMENTS BECAUSE THE ATTEMPT TO PERFORM SUCH WORK WAS DESERVING OF SUPPORT. IN THE FUTURE, IIASA WILL SEEK TO EARN THAT SUPPORT BY CONTINUALLY DEMONSTRATING THAT THE RESULTS OF ITS WORK OFFER PRACTICAL BENEFITS.

POTENTIAL FOR ILLICIT TECH TRANSFER AT IIASA

15. (S) WESTERN WORRIES ABOUT IIASA SERVING AS A BASE FOR SOVIET ACQUISITION OF SENSITIVE WESTERN TECHNOLOGY HAVE DOGGED IIASA FOR YEARS. LEE STEADFASTLY MAINTAINS THERE IS NO PROBLEM BECAUSE NEITHER IIASA'S COMPUTER HARDWARE NOR THE DATA TO WHICH IT HAS ACCESS COULD BE CONSIDERED SENSITIVE (REF D). SEPARATELY, AYRAULT

EXPLAINED TO EMBOFF THAT TWO FACTORS MAY HAVE JUSTIFIED TECH TRANSFER CONCERNS IN THE PAST. FIRST, IN THE 1970'S IIASA HAD PURCHASED A VAX 11-780 MAINFRAME RUNNING ON A UNIX SYSTEM, WHICH WAS CONSIDERED STATE-OF-THE-ART TECHNOLOGY AT THE TIME (IIASA'S WAS THE FIRST UNIX SYSTEM IN AUSTRIA). THE SECOND FACTOR WAS THAT IIASA UNDERTOOK DEVELOPMENT OF INTERFACE NODES WHICH WOULD ALLOW MEMBERS WITH EAST BLOC EQUIPMENT TO INTERFACE WITH WESTERN COMPUTERS. IIASA THUS WAS A SITE WHERE THE SOVIETS COULD POTENTIALLY GAIN ACCESS TO SOPHISTICATED WESTERN HARDWARE AND UTILIZE WESTERN KNOW-HOW FOR DEVELOPMENT OF A NEW TECHNOLOGY BENEFICIAL FOR THEM.

16. (S) AYRAULT BELIEVES THESE UNIQUE OPPORTUNITIES FOR TRANSFER OF SENSITIVE TECHNOLOGY WHICH IIASA ONCE OFFERED HAVE SINCE FADED AWAY, AND WILL NOT BE ALLOWED TO RE-SURFACE. THE VAX EQUIPMENT, NOW A DECADE OLD, IS FAR FROM STATE-OF-THE-ART TECHNOLOGY, AND IT IS COMMON KNOWLEDGE THAT THE EAST EUROPEANS HAVE ACCESS TO SIMILAR VAX MACHINES AT OTHER SITES. ALTHOUGH THE COMPUTER DIVISION IS ALWAYS COMPLAINING TO IIASA MANAGEMENT THAT MORE COMPUTER POWER IS NEEDED, THE INSTITUTE HAS NO PLANS TO UPGRADE ITS MAINFRAMES IN THE FORESEEABLE FUTURE. EMPHASIS WILL INSTEAD BE PLACED ON STRENGTHENING AN INTERNAL NETWORK OF PERSONAL COMPUTERS. AYRAULT CLAIMED TO HAVE ALREADY CHECKED WITH A CONTACT ON THE COCOM STAFF WHO HAD INFORMED HIM THAT THE PC EQUIPMENT IN WHICH IIASA WAS INTERESTED WOULD BE LICENSABLE FOR SALES TO THE EAST UNDER COCOM RULES. REGARDING THE NODE TECHNOLOGY, AYRAULT SAID THAT IIASA POLICY IS NO LONGER TO DEVOTE RESOURCES TO DEVELOPMENT OF NEW SYSTEMS TECHNOLOGY, BUT TO STICK TO USING AVAILABLE TECHNOLOGY FOR ITS ANALYSIS. IN LIGHT OF THESE FACTS, IIASA NO LONGER OFFERS THE EAST EUROPEANS ACCESS TO ADVANCED HARDWARE OR TECHNOLOGY DEVELOPMENT WHICH MIGHT OTHERWISE BE UNAVAILABLE TO THEM.

17. (S) TO UNDERSCORE THE DETERMINATION TO AVOID ILLICIT TECHNOLOGY TRANSFER THROUGH THE INSTITUTE, AYRAULT SAID THAT SEVERAL MONTHS AGO HE HAD TURNED DOWN A REQUEST FROM THE GDR NMO FOR ASSISTANCE IN OBTAINING BT

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IBM PC'S WHICH WOULD SUPPOSEDLY BE USED ONLY TO PROVIDE A GDR LINK TO IIASA. HE HAD, HE SAID, GIVEN THE EAST GERMANS SOME OFF-THE-SHELF PRODUCT LITERATURE ON THE IBM, BUT HAD FIRMLY DECLINED TO BE OF ANY ASSISTANCE WHATSOEVER IN OBTAINING THE MACHINES. THIS WAS, ACCORDING TO AYRAULT, THE ONLY INSTANCE WHICH HE KNEW OF AN EAST EUROPEAN NMO ATTEMPTING TO ACQUIRE HARDWARE THROUGH IIASA FOR ITS OWN USE. IF OTHERS TRIED, AYRAULT SAID, THEY TOO WOULD BE TOLD THAT IIASA COULD NOT HELP ANY MEMBERS WITH HARDWARE ACQUISITION.

18. (S) AYRAULT ACKNOWLEDGED THAT EAST EUROPEANS WORKING AT IIASA COULD USE THE INSTITUTE'S FACILITIES TO ACCESS UNCLASSIFIED AMERICAN DATA BANKS, BUT CLAIMED THERE WERE ENOUGH CHECKS BUILT INTO THE SYSTEM TO PREVENT UNWARRANTED USE. FOR ONE THING, IIASA'S ACCESS TO OVERSEAS DATA BANKS WAS CONSIDERED

PART OF THE INSTITUTE'S LIBRARY INFORMATION SERVICE. THEREFORE, ALL REQUESTS FOR INFORMATION FROM U.S. DATA BANKS WERE SUPPOSED TO BE CHanneled THROUGH THE LIBRARY, SO ANY UNUSUALLY WIDE-RANGING REQUESTS FOR DATA OR FOR INFORMATION OUTSIDE A RESEARCHER'S AREA OF EXPERTISE WOULD BE NOTICED AND QUESTIONED. AYRAULT RECOGNIZED THAT A RESEARCHER COULD STILL USE IIASA EQUIPMENT AND HIS OWN MODEM TO HOOK INTO A U.S. DATA BASE FROM AN IIASA TERMINAL. THE POSSIBILITIES FOR ABUSES, HOWEVER, WERE MINIMIZED BY THE SIMPLE FACT THAT IIASA HAD NO LEASED LINES TO THE U.S. (UNLIKE ITS LEASED LINE CONNECTION TO SOVIET DATA BASES). IT THUS RECEIVED AN ITEMIZED BILL FOR ALL TIME SPENT ON DATA LINKS TO THE U.S. FROM RADIO AUSTRIA, WHICH PROVIDES IIASA'S INTERNATIONAL DATA CONNECTIONS. ANY EXTENSIVE USE NECESSARY FOR "CRUISING" U.S. DATA BASES WOULD SHOW UP ON THE RADIO AUSTRIA BILL AND WOULD ELICIT AN INQUIRY BY INSTITUTE MANAGEMENT.

RECIPROCAL FLOW OF KNOW-HOW

19. (C) EMBOFF TOLD AYRAULT THAT WHILE IIASA MAINTAINED THE SOVIETS HAD SOMETHING TO OFFER THE WEST IN AREAS SUCH AS DECISION SCIENCES, NON-LINEAR MATH, AND ECOLOGICAL RESEARCH, IT WAS NOT CLEAR WHAT WAS TO FORCE THEM TO SHARE THEIR KNOW-HOW. AYRAULT FELT THE ONLY ANSWER WAS FOR INSTITUTE MANAGEMENT TO BE TOUGH WITH THE SOVIETS. HE CLAIMED LEE HAD ALREADY BEEN SUCCESSFUL IN REMOVING ONE SOVIET RESEARCHER WHO HE FELT HAD NOT BEEN MAKING A SOLID CONTRIBUTION TO IIASA'S RESEARCH, AND WAS WORKING ON GETTING RID OF ANOTHER.

20. (C) AT THE SAME TIME, LEE WAS TRYING TO MOVE BEYOND THE INSTITUTE'S TRADITIONAL METHOD OF SIMPLY ACCEPTING OR REJECTING NOMINATIONS FOR RESEARCHERS FROM EAST BLOC NMO'S, AND WAS ACTIVELY TRYING TO RECRUIT INDIVIDUAL SOVIET SCIENTISTS WHO HAD ALREADY WON A GOOD REPUTATION IN THEIR FIELD OF EXPERTISE AND HAD GOOD ACCESS TO SOVIET KNOW-HOW. THE ARGUMENT BEING USED WITH THE SOVIETS WAS THAT IIASA COULD ONLY SURVIVE BT

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E.O. 12356: DECL: OADR
TAGS: KPRP, TNGD, PREL, ETTC, AU, US
SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

IF IT EARNED A REPUTATION FOR QUALITY, SO IF THE
USSR WISHED IIASA TO STAY IN EXISTENCE IT HAD TO
ENSURE THAT THE INSTITUTE HAD ACCESS TO TOP SOVIET
TALENT AND KNOW-HOW. (OTHER IIASA PERSONNEL HAVE
HINTED THAT THIS ARGUMENT WAS ONE REASON WHY THE
SOVIETS RECENTLY HAVE ALLOWED IIASA TO GAIN ON-LINE
ACCESS TO BIBLIOGRAPHIC DATA BASES FROM THE USSR'S
INSTITUTE OF SCIENTIFIC INFORMATION ON SOCIAL SCIENCES,
AND MAY ALLOW ACCESS TO ADDITIONAL DATA BASES SOON.)

THE SOVIET INTEREST IN IIASA

21. (C) GIVEN THE RESTRICTED OPPORTUNITIES FOR ILLICIT
TECHNOLOGY TRANSFER AND THE INCREASING ORIENTATION
TOWARD WESTERN SOURCES OF EXTERNAL PROJECT FUNDING,
THERE IS SOME QUESTION ABOUT HOW FIRM FUTURE SOVIET

SUPPORT FOR IIASA WILL BE. THAT SUCH SUPPORT HAS
BEEN CONSISTENTLY STRONG IN THE PAST IS APPARENTLY
DUE LARGELY TO JEREMY GIVISHIANI, DIRECTOR OF THE
USSR'S ALL-UNION RESEARCH INSTITUTE FOR SYSTEMS
STUDIES, WHO PARTICIPATED IN IIASA'S FOUNDING AND
HAS SINCE SERVED AS CHAIRMAN OF ITS GOVERNING COUNCIL.
FROM WHAT WE HAVE BEEN ABLE TO LEARN FROM IIASA STAFF,
GIVISHIANI'S CONTINUING INTEREST STEMS NOT ONLY FROM A
PROTECTIVE ATTITUDE TOWARD THE ORGANIZATION HE HELPED
TO CREATE, BUT ALSO FROM HIS STRONG BELIEF THAT SOVIET
SCIENTISTS WILL BENEFIT FROM EXPOSURE TO WESTERN
METHODS OF ORGANIZING SCIENTIFIC RESEARCH. THE
PROSPECTS FOR GIVISHIANI'S OPINIONS CONTINUING TO
CARRY WEIGHT IN MOSCOW APPEAR TO BE GOOD. ALTHOUGH HE
OWED HIS INITIAL ADVANCEMENT TO THE SMART CAREER
MOVE OF BECOMING ALEXEI KOSYGIN'S SON-IN-LAW, RATHER
THAN BEING DEMOTED SINCE KOSYGIN'S DEMISE, GIVISHIANI
HAS INSTEAD BEEN ELEVATED TO DEPUTY CHAIRMAN OF
GOSPLAN UNDER GORBACHEV.

22. (C) EMBASSY VIENNA IS NOT, OF COURSE, IN A POSITION
TO ANALYZE INTERNAL SOVIET POLICY-MAKING, BUT BASED ON
WHAT WE HEAR FROM IIASA STAFF, WE SUSPECT SOVIET
SUPPORT FOR IIASA WOULD PROBABLY CONTINUE EVEN IF
GIVISHIANI WERE SUDDENLY TO DEPART THE SCENE, BECAUSE
OF THE WIDESPREAD ADVANTAGES IT OFFERS THE USSR SCIENCE
BUREAUCRACY. IIASA STAFF AGREES THAT THE POSSIBILITY
OF ASSIGNMENT TO IIASA IS A POWERFUL INCENTIVE FOR THE
MANAGERS OF SOVIET RESEARCH TO WIELD. ALTHOUGH GIVISHIANI
REPORTEDLY TRIED TO KEEP ASSIGNMENTS TO IIASA AS PLUMS
FOR THE USE OF HIS OWN INSTITUTE, A SOVIET RESEARCHER
AT IIASA TOLD EMOFF THAT PRESSURE FROM OTHER INSTITUTES
HAS LED TO ALMOST 50 PERCENT OF THE USSR'S RESEARCHERS

AT IIASA CURRENTLY COMING FROM ORGANIZATIONS OTHER
THAN GIVISHIANI'S. CONSIDERING ALSO THE NUMBER OF
SOVIET SCIENTISTS WHO HAVE PASSED THROUGH IIASA IN
THE 13 YEARS OF ITS EXISTENCE, AND THE PRO-S&T BIAS
OF THE GORBACHEV REGIME, WE SUSPECT THERE MAY EXIST
ENOUGH OF A CONSTITUENCY FOR IIASA WITHIN THE SOVIET
SCIENCE BUREAUCRACY TO ENSURE ACTIVE USSR SUPPORT FOR
SOME TIME TO COME.

you bet!

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TAGS: KPRP, TNGD, PREL, ETTG, AU, US
SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

USG POLICY OPTIONS

23. (C) NOT ONLY THE SERIOUSNESS OF IIASA'S EFFORTS TO REFORM ITS OPERATIONS MAY WARRANT A REASSESSMENT OF USG POLICY TOWARD THE INSTITUTE, BUT FOR PRACTICAL REASONS A FOCUSED POLICY REASSESSMENT SHOULD ACCOMPANY THE DECISION ON FINAL RELEASE OF THE NSF PROGRAM GRANT NOW UNDER CONSIDERATION. ANY USG PROGRAM FUNDING WOULD BE READ AS A SHIFT IN U.S. POLICY BY IIASA MANAGEMENT AND MEMBER COUNTRIES, INCLUDING THE USSR. WE SHOULD THUS HAVE A CLEARLY DEFINED STANCE READY SO AS TO AVOID MISUNDERSTANDINGS ABOUT OUR VIEWS.

24. (C) IIASA HAS THE POTENTIAL TO SERVE IMPORTANT U.S. INTERESTS IN SIGNIFICANT WAYS. IT IS OF OBVIOUS VALUE TO THE EXTENT THAT IT PRODUCES HIGH-QUALITY RESEARCH ON GLOBAL ISSUES WHICH CONTRIBUTES TO BETTER INFORMED

AND MORE RATIONAL CHOICES OF POLICY OPTIONS FACING THE USG. SUCH RESEARCH, HOWEVER, COULD BE CARRIED OUT AT ANY NUMBER OF INSTITUTIONS, SO THE MORE ESSENTIAL FACTORS IN JUDGING USG POLICY SPECIFICALLY TOWARD IIASA LIE IN THE OPPORTUNITIES AFFORDED BY ITS UNIQUE NATURE AS A NON-GOVERNMENTAL MULTILATERAL INSTITUTION WITH EAST BLOC PARTICIPATION. TO THE EXTENT THAT RECIPROCITY EXISTS AT IIASA, THE INSTITUTE CAN BE A UNIQUE FORUM FOR EXPOSING A RANGE OF SOVIET SCIENTISTS TO THE BENEFITS OF THE MORE OPEN SOCIETY IN WHICH THEIR WESTERN COLLEAGUES WORK, AND THROUGH ITS ACCESS TO SOVIET DATA BASES AND RESEARCH, BE A UNIQUE SOURCE OF WESTERN INSIGHT INTO THE METHODS AND ORIENTATION OF THE SOVIET RESEARCH COMMUNITY.

25. (C) PROGRESS TOWARD FULFILLING THESE U.S. INTERESTS HAS BEEN MADE AT IIASA SINCE THE LAST USG POLICY REVIEW IN 1984. THE SUCCESS IN OBTAINING EXTERNAL PROJECT FUNDING APPEARS TO BE IMPORTANT AS RECOGNITION BY THE INTERNATIONAL COMMUNITY OF THE IMPROVED QUALITY OF THE INSTITUTE'S SCIENTIFIC RESEARCH. IIASA'S GAINING ACCESS TO SOVIET DATA BANKS AND INCREASING THE EMPHASIS ON TOPICAL ISSUES WOULD SEEM TO BE IMPROVING THE POSSIBILITIES FOR INSIGHT INTO SOVIET RESEARCH BY THE WESTERN SCIENTIFIC COMMUNITY. ALTHOUGH PROGRESS IS LESS CLEAR WHEN IT COMES TO OPENING UP IIASA FOR A WIDE RANGE OF SOVIET SCIENTISTS, LEE IS EVIDENTLY MAKING A GOOD START IN THIS REGARD.

26. (C) THE KEY POINT FOR US TO KEEP IN MIND WHEN CONSIDERING BENEFITS THE U.S. DERIVES FROM IIASA, HOWEVER, IS THAT THEY CAN BE TRANSITORY AND AT LEAST

PARTLY DEPENDENT ON USG ACTIONS. PROGRESS IN SECURING THOSE BENEFITS CAN BE TRACED BACK TO THE USG WIELDING THE "STICK" OF WITHDRAWING FINANCIAL SUPPORT IN 1982. THE 1984 POLICY DECISION TO PROVIDE A SMALL "CARROT" OF ALLOWING PROJECT FUNDING BY USG AGENCIES, ALTHOUGH DIRECTED MORE AT AN AUSTRIAN AUDIENCE THAN AT IIASA, CONTRIBUTED TO LEE'S ABILITY TO UNDERTAKE A SIGNIFICANT REFORM EFFORT. IT INDICATED THAT CHANGES IN USG POLICY WERE CONCEIVABLE AND SO HELPED JUSTIFY AN EFFORT TO MEET USG CONCERNS. WHILE WE BELIEVE A CONTINUATION OF THAT EFFORT IS ASSURED FOR THE

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E.O. 12356: DECL: OADR
TAGS: KPRP, TNGD, PREL, ETTG, AU, US
SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

DURATION OF LEE'S TENURE (TO SEPTEMBER 1987), ITS PACE, EXTENT, AND DURABILITY WILL BE DEPENDENT ON THE MIX OF "STICKS" AND "CARROTS" WHICH THE USG APPLIES NOW. WE SEE FOUR BASIC OPTIONS WITH REGARD TO THE NSF PROGRAM FUNDING NOW UNDER CONSIDERATION:

-- (A) CONTINUE DENYING ALL USG PROGRAM GRANTS. THIS WOULD INCREASE NSF MONEY FOR OTHER PROJECTS AND PUT THE ISSUE TO REST, BUT RUNS COUNTER TO CONSIDERABLE CONGRESSIONAL AND PRIVATE U.S. SUPPORT FOR IIASA AND REMOVES IIASA'S INCENTIVE TO PAY CLOSE ATTENTION TO USG CONCERNS. IT ALSO RISKS ADDING A MINOR IRRITANT TO THE U.S.-AUSTRIA BILATERAL RELATIONSHIP.

-- (B) DENY PROGRAM GRANT IN 1986, BUT LEAVE THE DECISION OPEN FOR THE FUTURE. THIS LEAVES NSF WITH MONEY FOR OTHER USES AND GIVES LEE SOME ROOM TO USE USG CONCERNS AS INCENTIVE FOR REFORM, BUT RISKS MAKING

HIS ARGUMENTS LESS EFFECTIVE AND SLOWING HIS PROGRESS.

-- (C) ANNOUNCE USG INTENTION TO APPROVE PROGRAM GRANTS OF DOLS 500,000 ANNUALLY FOR THREE YEARS. GIVES LEE THE OPPORTUNITY TO DEFEND HIS REFORMS TO OTHER IIASA MEMBERS AND MEETS CONGRESSIONAL WISHES, BUT RISKS LOWERING PRESSURE FOR RAPID ADDITIONAL CHANGES AT IIASA.

-- (D) APPROVE 1986 PROGRAM GRANT, BUT LEAVE FUTURE OPEN. THIS GOES SOME WAY TO SATISFYING IIASA'S SUPPORTERS ON THE HILL, HELPS LEE JUSTIFY EFFORTS TO MEET USG CONCERNS, BUT KEEPS HEAT ON FOR ADDITIONAL PROGRESS. IT RUNS MODERATE RISK OF OTHER IIASA MEMBERS BECOMING FRUSTRATED WITH WHAT MAY BE PERCEIVED AS HALF-HEARTED RESPONSE TO REFORM EFFORTS MADE TO DATE.

27. (C) THE EMBASSY IS OBVIOUSLY NOT IN A POSITION TO WEIGH ALL FACTORS AFFECTING THE CHOICE AMONG THESE OPTIONS, MOST NOTABLY THE CONGRESSIONAL ANGLE AND BUDGETARY CONSTRAINTS. CONSIDERING ONLY THE GOAL OF SECURING ADVANCEMENT OF U.S. INTERESTS AT IIASA, HOWEVER, LEADS US TO BELIEVE THAT THE FINAL OPTION IS THE MOST EFFECTIVE AND LOGICAL U.S. POLICY IN THE LONG RUN.

SETTING OUT U.S. POLICY

28. SHOULD THAT FINAL OPTION BE CHOSEN, IT WILL BE IMPORTANT TO SPELL OUT U.S. POLICY CLEARLY AND CONTEMPORANEOUSLY WITH RELEASE OF THE NSF PROGRAM GRANT. AN UNAMBIGUOUS POLICY STATEMENT FROM AN ADMINISTRATION OFFICIAL WOULD PREVENT MISUNDERSTANDINGS ABOUT OUR VIEW OF THE NEED FOR ADDITIONAL REFORM AT IIASA. SINCE THE 1984 POLICY CLARIFICATION WAS CONVEYED IN A LETTER FROM THE SECRETARY, IT WOULD SEEM APPROPRIATE THAT ANY POLICY UPDATE BE SET OUT AT THE SAME LEVEL, IN A LETTER FROM THE SECRETARY TO IIASA DIRECTOR LEE. ALTERNATELY, A LETTER COULD BE SIGNED BY THE UNDER-SECRETARY FOR SCIENCE AND TECHNOLOGY AFFAIRS OR THE OES ASSISTANT SECRETARY. A POSSIBLE TEXT FOR SUCH

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E.O. 12356: DECL: OADR
TAGS: KPRP, TNGD, PREL, ETC, AU, US
SUBJECT: REVIEWING U.S. POLICY TOWARD IIASA

A LETTER FOLLOWS:

DEAR PROF. LEE:

THE USG HAS FOLLOWED WITH INTEREST DEVELOPMENTS AT IIASA. WE BELIEVE THAT THE APPLICATION OF TECHNOLOGY AND SCIENCE TO COMPLEX GLOBAL PROBLEMS CAN LEAD TO A BETTER UNDERSTANDING OF THESE PROBLEMS AND CONTRIBUTE TO THE SEARCH FOR SOLUTIONS. IIASA'S GOAL OF BRINGING TOGETHER EXPERTS FROM EAST AND WEST TO WORK ON SUCH ISSUES IS UNIQUE AND LAUDATORY.

WE ALSO BELIEVE, HOWEVER, THAT IIASA CAN ONLY MAKE GENUINE PROGRESS TOWARD THAT GOAL TO THE EXTENT THAT IT ADHERES TO THE PRINCIPLES OF RESEARCH RELEVANCE, SCIENTIFIC EXCELLENCE, MANAGEMENT EFFICIENCY, AND A TRULY RECIPROCAL SHARING OF EXPERTISE BETWEEN EAST AND WEST.

IN RECOGNITION OF THE PROGRESS WHICH HAS BEEN MADE RECENTLY TOWARD RE-ESTABLISHING THE PRIORITY OF THESE PRINCIPLES AT IIASA, THIS ADMINISTRATION WILL NOT RAISE ANY FUNDAMENTAL OBJECTION TO THE NATIONAL SCIENCE FOUNDATION RESUMING PROGRAM FUNDING FOR IIASA TO THE EXTENT IT DEEMS APPROPRIATE.

LET ME EMPHASIZE, HOWEVER, OUR BELIEF THAT THE ANNUAL LEVEL OF NSF PROGRAM FUNDING SHOULD BE DEPENDENT ON CLEARLY DEMONSTRATED PROGRESS TOWARD FULFILLMENT OF IIASA'S ORIGINAL GOALS AND ITS ADHERENCE TO THE PRINCIPLES OUTLINED ABOVE. SHOULD THESE STANDARDS NOT BE MET, I BELIEVE NSF SHOULD FEEL FREE TO REDUCE OR TERMINATE FUNDING SUPPORT AS THE SITUATION DICTATES. FURTHERMORE, I BELIEVE IT DESIRABLE FOR IIASA TO CONTINUE TO DEPEND ON NON-GOVERNMENTAL FUNDING SOURCES FOR SOME PORTION OF THE U.S. MEMBERSHIP DUES, SINCE SUCH COMPETITION IN THE "MARKETPLACE" IS THE BEST WAY TO ASSURE EFFICIENT ALLOCATION OF LIMITED RESEARCH FUNDS.

GOVERNMENT FUNDING OF SCIENTIFIC RESEARCH IS APPROPRIATE TO THE EXTENT THAT SUCH RESEARCH MAKES IMPORTANT CONTRIBUTIONS TO THE PEACEFUL DEVELOPMENT OF A SOCIETY. IIASA'S UNIQUE ROLE GIVES IT THE POTENTIAL TO CONTRIBUTE TO SUCH PEACEFUL DEVELOPMENT ON A GLOBAL SCALE. IT IS AN IMPORTANT GOAL. I WISH YOU SUCCESS IN MAKING PROGRESS TOWARD ITS ACHIEVEMENT.

SINCERELY (SIGNATURE)

REPORTING RESPONSIBILITY

29. (LOU) THIS CABLE FULFILLS PART OF POST'S FY-86 REPORTING PLAN. AS DEPARTMENT SHOULD BE AWARE, EMBASSY VIENNA HAS HAD RESPONSIBILITY FOR REPORTING ON IIASA. THE U.S. MISSION TO THE INTERNATIONAL ORGANIZATIONS IN VIENNA (UNVIE) HAS, HOWEVER, EXPRESSED INTEREST IN ASSUMING THAT RESPONSIBILITY. EMBASSY HAS NO OBJECTION TO THIS TRANSFER OF RESPONSIBILITY, SINCE THIS WOULD BRING US IN LINE WITH THE PRACTICE OF SOME

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OTHER IIASA MEMBER COUNTRIES WHICH HAVE BOTH BILATERAL EMBASSIES AND MULTILATERAL MISSIONS IN VIENNA. (THE USSR AND FRG MULTILATERAL MISSIONS IN VIENNA COVER IIASA AFFAIRS, ALTHOUGH THE SCIENCE ATTACHES IN THE ITALIAN AND SOME OTHER BILATERAL EMBASSIES HERE COVER IIASA FOR THEIR COUNTRIES.) ALSO, AS NOTED IN REF B, THE EMBASSY FEELS COMPELLED TO CUT BACK ITS OVERALL SCIENCE REPORTING DUE TO FAILURE TO WIN APPROVAL FOR A NEW SCIENCE OFFICER POSITION IN FY-86 OR FY-87. UNLESS WE ARE INSTRUCTED TO THE CONTRARY, THEREFORE, WE WILL ASSUME DEPARTMENT (OES, IO, AND EUR) CONCURRENCE IN HAVING UNVIE ASSUME ROLE AS PRIMARY USG CONTACT POINT FOR IIASA IN VIENNA, WITH EMBASSY INVOLVEMENT CONTINUING TO THE EXTENT THAT IIASA IS VIEWED AS BILATERAL ISSUE BY GOA OR USG. BLOCH
BT

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