

RECORD TYPE: FEDERAL (EXTERNAL MAIL)

CREATOR: ameyers@snap.org@INET@EOPMRX

CREATION DATE/TIME: 21-MAR-1996 06:35:00.00

SUBJECT: Re: Tenneco fax

TO: Steven J. Naplan

(NAPLAN_S@A1@CD) (NSC)

READ: 21-MAR-1996 08:36:00.66

TEXT:

I was having trouble sending the fax to Jill, here is the content.

United States Embassy
Office of the Ambassador

FAX COVER SHEET

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TO: Jill Schuker
NSC

FAX: 202-456-9390

FROM: Andy Meyers

DATE:

TOTAL PAGES: 9

Just some stuff as I promised. Sorry its too long, you can just skim through it to get the general direction. The second memo is just something I have been working on with ideas for how trade with Japan benefits the U.S. I am still getting final info from the Embassy, but plan to send it in within a few days. Give me a call if you want to talk.

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Embassy of the United States of America

Tokyo, Japan

MEMORANDUM

TO: Jill Schuker

FROM: Andy Meyers

SUBJECT: Japan themes and messages

The Embassy is going to be preparing a formal cable on themes and messages for the visit upon DCM Rust Deming's return from Washington next week. What follows are just some of my personal observations on the current state of the relationship.

While the general atmosphere in the U.S.-Japan relationship now is vastly improved over last fall, a number of complicating factors remain which will shape the overall tone of the summit. The good news is that the security relationship is on much more solid ground, at the same time, the economic issues will take on a more important role in determining whether or not this visit will be a success.

I. Security

The unspoken understanding is that the events in the Taiwan Strait and the rumors of the situation in North Korea have had a positive impact on helping explain the need for the U.S. presence here in Japan. There seems to be more appreciation of the need for the alliance. The problem, however, remains on how to best share this burden.

The expectations game over Okinawa has begun and treatment of Futenma (one of our main bases there) is the focal point. The people of Okinawa have been calling for total return of Futenma and have been successful enough at raising this as a political issue so that Hashimoto mentioned this at his briefing after the meeting in Santa Monica. The U.S. has been forthcoming in the SACO (Special Action Committee on Okinawa) process, but it is unclear whether what we are prepared to offer will be enough. The real question is not whether the people in Okinawa themselves will be happy, rather it is whether general public opinion, and the press in particular will see our efforts as being sufficient. From this perspective, the overall theme now is clearly to lower public expectations.

At the moment, two wild cards remain which threaten to complicate the situation. The first is the lease for our communications site at Sobe (in Okinawa) which is scheduled to expire on March 31. Gov. Ohta of Okinawa has refused to renew these. The courts will be able to force the landowners to grant us the use, however, it appears that there will be a space of a few days or so before the final ruling where we will, in effect, be occupying the land without a proper lease. One of the land owners is now planning to oppose this and a demonstration of as many as 900 people is expected. Local authorities are now considering building a fence around the facility to keep them out a great visual for the media to focus on. While the legal proceedings will technically clear this up, some kind of lingering protests could continue. And despite our following procedure, inevitably this will cast a shadow on our base presence in the region.

The second wild card is the recent report of the rape last week, but so far, there has been no further word on this.

Our overall message, however remains the same.

1) Instability of the region and need for the alliance. All of the debate on details of SOFA, HNS, and the bases have obscured the real purpose for this alliance. It is essential that in all appearances we repeatedly bring the discussion back to our central point: the U.S.-Japan security alliance is essential for maintaining the stability of the region.

2) Readiness. The driving principle behind the U.S. military presence is maintaining readiness. With this as our rock solid premise, we should be open to hear Japanese concerns. It is a mistake to confuse the Japanese desire to be heard with concrete demands for change.

3) Good neighbor policy. The U.S. has made and will continue to make all efforts to be a good a neighbor. We must stress all that we have done so far in responding to the concerns of the Okinawan people and to the concerns of Japan. The SACO process is working on a number of measures which will help. While we must be careful not to build up expectations, it must be clear that we are prepared to do what ever possible to minimize the "footprint" of our presence.

II. Bi-lateral economic relationship

Our economic relationship is plagued by a perception in Japan that with this being an election year, the U.S. merely wants to claim victory on the trade front and therefore, will avoid any kind of contentious friction. They translate our calling attention to success in the framework as meaning that we have no interest in pushing hard on new issues and on insuring implementation. Efforts to bring up our four outstanding issues; film, semiconductors, civil aviation and insurance have met a stone wall. In fact, in recent statements MITI has gone so far as to assert that the era of bi-lateral trade disputes is over and that all our problems should be handled in multi-lateral fora such as the WTO. Therefore, the Japanese now say there is no need to negotiate with us over semiconductors and film.

If we have a summit where the U.S. makes no progress on trade we would be ridiculed not only by industry, but resoundly by the press. We should make it clear that as the worlds two leading economic powers, it is inconceivable that we would not be able to sit down together to work through pressing issues before they become major problems.

All of the talk about the improvements we are seeing in the trade data are fine. The message, however, must be clear. While we welcome improvements in the macro economic data, this should encourage us to push even harder for progress. The areas where we have negotiated are seeing progress, but the market in Japan remains closed and the deficit is still around \$50 billion. We must continue to work through new issues and carefully monitor the implementation of our existing agreements. Where markets have opened both sides have gained.

A) Trade with Japan is becoming an increasingly crucial part of the U.S. economy. Last year trade exceeded 2 trillion dollars -- 31% of our economy, by far the largest in the world. Currently in the U.S. there are more than 13 million jobs directly related to exports. Of the 7.3 million private sector jobs created under the Clinton administration, 1.6 million have been in the private sector.

Exports have grown 80% in the 20 sectors where we have reached with Japan since 1992. Overall exports from the U.S. to Japan are up over 20%.

B) Trade has been good for Japan: In the sectors where the Japanese economy has opened up, lower priced American goods have spurred the growth of whole new markets. In the computers for example, when foreign computers came into the market, prices have fallen consistently till the point where there is now very little price differential between Japan and other countries. Now that they are cheaper, many households are buying computers. Yet in each computer, many parts such as screens and memory chips come from Japan. So in the end This creates jobs both in the U.S. and Japan and the consumer's gains as well.

C) Implementation: If we are to make ongoing progress we must continue to sit down together and work through trade issues. Signing an agreement is only the beginning. We must ensure that the spirit of these accords is realized in actual practice. In insurance, for example, we are pressing the Japanese to honor their commitments under our 1994 agreement for meaningful deregulation in Japan's primary insurance sectors.

D) Unresolved issues:

1) Since the semiconductor accord we have seen significant progress. Both U.S. and Japanese semiconductor producers and users are stronger as a result of this agreement. It is a success, and we should keep it going. It has helped us resolve problems that were very contentious, and it makes sense to continue the agreement in some form.

2) Among other outstanding trade issues, we are concerned that Kodak's world-class products face access problems in Japan; and, civil aviation is a sector in which we seek to liberalize and expand opportunities for carriers of both nations.

III. Global cooperation

Outside of the contentious issues of security and economics, there are a number of areas where we continue to cooperate to make the world a better place. These area's rarely get the attention they deserve, but these are the issues that will really make a difference for the future generations.

A) Political cooperation: perhaps one of the more obvious examples is our close cooperation, together with the Republic of Korea, on North Korean nuclear issues -- addressing a situation that could fundamentally destabilize East Asia. Less noticed is our work together on the middle east, eastern Europe, and elsewhere.

B) The common agenda: under the spectacular yet often overlooked "common agenda," we are acting upon our shared interest in resolving an extraordinarily wide range of vital initiatives to improve the human condition. We are working to wipe out polio; to protect the world's forests and oceans; to prevent aids; to eradicate the narcotics trade; to develop environmentally safe technologies; and to expand the blessings of science and health to all the world.

C) Human ties: our ability to serve the world better will continue to depend on our ability to understand each other well enough that we can increase our positive role in tackling global problems. Our societies and our histories are so profoundly different that it is dangerous not to have many more students learning about each other.

Embassy of the United States of America

Tokyo, Japan

DRAFT

MEMORANDUM

TO: Chris Dorval
NEC Communications

CC: Carola McGiffort

FROM: Andy Meyers

SUBJECT: Trade with Japan: Impact on the U.S.

The Embassy has come up with some interesting examples of how our relationship with Japan has a positive impact on the U.S. economy. We hope that you will find these useful in planning the run up to the President's visit in April. These examples are broken up into three categories to reflect the different messages they may convey. Please note that many of these sales figures are confidential. If we are interested in using any of the data here, we should speak with the companies first.

I. Examples related to trade agreements

A) Auto Sales: U.S. makers have seen sharp increases in sales over the past year and they anticipate growth in exports from the U.S. to grow close to 20% this year. Some of their big sellers are being made at various factories through out the U.S. Last year sales of the Taurus made in Atlanta, GA were around \$150 MM. The Mustang came out of Dearborn, MI. About \$117 MM worth were sold in Japan last year. The Exolorer made in Louisville, KY. generated \$134 MM in sales in Japan last year. Chrysler is now importing about 12,000 Cherokees (roughly \$360 MM) a year from their Toledo, OH. plant and in May will start selling Neons made in Belvedier, IL.

B) Auto Parts: Another idea is the Monroe shock absorber plant in Paragould AK. As a result of the auto agreement, Monroe expects to quadruple its \$300 MM in sales of shocks in Japan by the year 2000.

C) Motorola Mobile Phone Infrastructure: Motorola's plant in Arlington Hights, IL. This factory is making the infrastructure equipment for the cellular phone network Motorola was able to build in Japan as a direct result of our bilateral negotiations.

E) Medical Equipment: Medtronic is a leading supplier of cardiovascular medical devices. Their pacemakers have sold well, many of which are made in their Minneapolis plant. GE Yokokawa Medical Systems recently won a contract to supply \$78 million of magnetic resonance equipment to National and University hospitals. The procurements were part of the supplementary budget specified in the MedTech Agreement. While some of the equipment will be made in Japan, the higher value products will be made at GE Medical's Milwaukee, WI. facility.

F) Semiconductors: The prime example is Intel, which is now importing about \$1.3 billion of chips into Japan every year. About half of these come from the U.S., primarily from their Portland OR. plant.

II. Big sellers and high growth sectors:

A) Boeing: One of the largest exporters to Japan. They are both major suppliers to the major airlines and also do military contracting. All planes are manufactured just outside Seattle. (Now sales to Japan come to between \$1.5-2.0 MM a year)

B) GE Turbines: TEPCO is one of GE's largest customers worldwide. They are just completing an expansion at their Yokohama facility, of which the gas turbines are being manufactured at GE's Greenville, SC. plant and the steam turbines will be built in Schenectady, NY. GE's total sales to Japan (including medical, plastics, GE Capital etc.) come to around \$3.5 billion.

* GE Appliances: Starting last year, GE started selling refrigerators here in Japan. Sales have been soaring, and now they expect sales of \$100 million this year. About one-third of these are being made in the U.S. at factories in Louisville, KY., Bloomington, IN., and Decatur, AL.

C) Sisco Systems: Manufacturers of routers for the internet. Sisco has seen very sharp sales increases over the last year as a result of the internet boom. They are now selling about \$400 MM made at their factory in San Jose, CA.

D) Seicor Fiber Cable: Seicor has been selected as one of 4 co-developers of the high-fiber count cable for the construction of NTT's information highway. The first round of contracts has been awarded, of which Seicor has won one part estimated in the tens of millions. Should they be able to capture the one fourth of NTT's business as hoped, this would amount to sales in the hundreds of millions and take up about 10% of the output of their Hickory, NC. plant.

D) Agriculture: (Getting from AGRIC)

III. Defense: One of the U.S.'s largest export sectors to Japan.

A) Lockheed-Martin: Sole supplier of AEGIS combat weapon systems. The total contract spread over ten years will come to \$2 billion dollars. The final manufacturing takes place at their Mooristown, NJ. plant.

B) Lockheed-Martin: They are the major subcontractor to Mitsubishi Heavy Industries for the F-2 (FS-X) advanced fighter plane. This multi-billion dollar program will provide steady work for about 5 years for their Fort Worth, TX. plant, generating sales of roughly \$200-300 million a year.

C) Boeing: Their Seattle plant will be making the B767 AWACS early warning aircraft. Over the course of 8 years they will be providing 4 aircraft at roughly \$500 million a piece.

===== ATTACHMENT 1 =====

ATT CREATION TIME/DATE:21-MAR-1996 06:37:00.00

ATT BODYPART TYPE:D

TEXT:

RFC-822-headers:

Received: from storm.eop.gov (storm.eop.gov)

by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01I2LA98YJ8W0092ZF@PMDF.EOP.GOV> for
NAPLAN_S@a1.eop.gov; Thu, 21 Mar 1996 06:35:21 -0400 (EDT)

Received: from snap.org (charm.snap.org) by STORM.EOP.GOV (PMDF V5.0-6 #6879)

id <01I2LAABPUQE000080@STORM.EOP.GOV> for NAPLAN_S@a1.eop.gov; Thu,
21 Mar 1996 06:36:18 -0700 (MST)

Received: by snap.org (8.6.13/SMI-4.1) id GAA10030; Thu,

21 Mar 1996 06:39:10 -0500

===== END ATTACHMENT 1 =====

RECORD TYPE: FEDERAL (ALL-IN-1 MAIL)

CREATOR: Margaret M. Suntum (SUNTUM_M) (WHO)

CREATION DATE/TIME: 9-MAY-1996 17:55:20.35

SUBJECT: 4-16 press briefing by Lake and Tyson

TO: Natalie S. Wozniak (WOZNIAK_N) (NSC)

READ: 9-MAY-1996 18:46:08.41

TEXT:

PRINTER FONT 10_POINT_COURIER

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PRINTER FONT 12_POINT_COURIER

THE WHITE HOUSE

Office of the Press Secretary
(Tokyo, Japan)

For Immediate Release
1996

April 16,

PRESS BRIEFING

BY

NATIONAL SECURITY ADVISOR TONY LAKE

AND NATIONAL ECONOMIC ADVISOR DR. LAURA TYSON

Aboard Air Force One
En Route To Tokyo,
Japan

Q Okinawa, where does it stand now with Perry and
Okinawa? Is the President going to do more with Hashimoto than
Perry's done, or is he just reaffirming what --

MR. LAKE: Do you want a little shtick first or should
we go right to questions? It's up to you.

Q Go ahead.

Q Shtick.

MR. LAKE: I'll do a shorthand shtick. and if you want
to use any of it I can put in the prepositions and adjectives or
whatever.

Basic point: Came to Korea to both announce the
initiative -- and if you want more on the meetings I can give it to
you, but I don't think you need them. There was nothing very new.
To announce the initiative and reaffirm our security ties to Korea.

Japan -- we're trying to also reaffirm security ties
for the following reason: Over the years our relationship with Japan

has been defined publicly primarily in terms of economics. The fact is that the economics, thanks to a lot of hard bargaining which we'll continue on issues that Laura could talk about, has produced real results. We talked about, I think on this very plane and with most of this very group, of the statistics here, over 80 percent, in fact, export growth in those sectors, 20 sectors in which we had trade agreements -- now 21 -- which is about two and a half times overall export growth to Japan. So the economics are going well, still some problems.

But the result has been that there hasn't been enough attention to what has always been in our policy a balance between our security relationships and our economic relationships. We want to put more focus in this trip on the security relationships both through the joint security declaration that you will be seeing, which I can talk more about if you want or we can go into it tomorrow, through the visit to the independents, and coming out of Secretary Perry's very successful visit here which is the culmination of some months since the SACO was announced of negotiations with the Japanese government on how to deal with the issue of the dislocations caused by our bases in Okinawa.

That went very well. Perry announced -- well, first BOTTOM EVEN MORE of all, some of it leaked so that the Futenma part of it was announced then by Prime Minister Hashimoto and Ambassador Mondale. We hadn't intended that that would happen so early. And then Secretary Perry has announced the rest of it.

I would simply emphasize one point about that, which is that Secretary Perry did brief the President; the President

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was very, very pleased with this both because we have now completed the great bulk of the work in the SACO. There are some remaining details to be worked through. Those are mostly implementation issues, and I don't anticipate that there will be a lot of discussion with Prime Minister Hashimoto on those details. We have plenty of time to work that through between now and next fall.

Secondly, the President is very pleased -- and this is important throughout Asia -- because we have done this in a way that in no way degrades our military capacities in the Pacific.

To come back to the general security issue, I think there's one fact that strikes me about this that I may have mentioned to you all before, and that is for the first time since the Vietnam War, because we have drawn down in Europe and we have held constant in the Pacific, we now have approximately 100,000 troops in the Pacific and approximately 100,000 in Europe. And this is, I think, symbolic of the fact that we are paying equal attention to security and economic and other issues in both Europe and Asia.

This is something that we want to emphasize as the President now comes back to Asia. As you'll recall, his first trip abroad was to Japan and Asia. Now, we're coming back again.

End of shtick, and I think I actually suddenly wove in the answer to the question about Okinawa.

Q -- you don't include that?

MR. LAKE: Abroad -- overseas, not abroad. Overseas. Thank you very much. Yes, that was good. I didn't tell you about this little spat we had with Canada? Vancouver is now flying the American -- never mind. You'll hear about it when we get home. (Laughter.)

Laura, did you have anything on economic stuff you wanted to add?

Q What's the status of that trade --

DR. TYSON: Well, I would make a general statement, then I can answer. The general statement is that we embarked on a trade and economic strategy with Japan in 1993. We thought about it long and hard, and that strategy has produced real results. And we are coming to talk about the results; we are also coming to talk about the need to continue to enforce the agreements we've made and to work out some of the issues that remain before us.

We want to continue to make the point that our relationship is a win

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-win relationship, that the trade agreements we have signed have produces exports for us, but they've produced more competition, lower price, more choice in the Japanese marketplace. The most recent example of that is, of course, in autos and auto parts. We had two studies released last week, one on the automobile agreement and the other the CEA and Treasury study really documenting the tremendous gains in overall trade that have been made in the last three years.

The other thing we'll talk about, which was also talked about at the beginning, is the macroeconomic component of our relationship. I think both countries have made great progress relative to what we wanted to occur when we set down the framework in 1993. We intended to get the deficit down by half, and that's happened in our country. They were working to get their current account surplus down from 3.1 percent of GDP to around 2 percent, which is where it is. They have used a successful domination of fiscal stimulus and a -- monetary policy TOP ODD - \p -

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to come out of what has been their deepest recession since World War II. So we'll talk about our macroeconomic relationship as well as our trading relationship.

A lot of results to celebrate together, but also recognizing that we remain committed to the framework. We have a

joint communique which we'll be issuing. It says very clearly that we view the framework as a continued high priority, enforcement of the framework as a continued priority.

Q How hard will the President force the issue of -- trade factors -- trade issues? There have been stories leading up to this visit saying he'll mention it, but it's not going to be a priority like has been in the past? I mean, is he going to press it hard?

DR. TYSON: Each of these issues will be mentioned, each of them is on a slightly different track. We have four issues going into this summit and civil aviation, the cargo part of civil aviation has actually been resolved before the summit. But the anticipation is we'll bring up these issues here, but they will continue to be negotiated.

The semiconductor trade agreement doesn't expire until the summer. Insurance talks went on last Friday in Washington and will continue to go on after this. Mickey will be going on to Kobe to discuss semiconductors. And film, we will make the point we have been making with them over and over again, which is we think bilateral negotiations on issues of trade where we have disagreement is the productive way.

Q There are some stories quoting Japanese trade officials, especially on film, about the WTO and the bilateral relationship of the WTO makes bilateral talks not really useful anymore, and saying the U.S. has no more -- and the Japanese are ignoring the film issue altogether.

MR. LAKE: Did you see their remarks on that?

DR. TYSON: Which ones?

MR. LAKE: On that guy's remarks.

DR. TYSON: I haven't seen the remarks that you're referring to, no.

MR. LAKE: My understanding is that the Japanese officials were saying that more was made of those remarks than they had intended.

Q But the bottom line --

MR. LAKE: What they had said is that that official did not mean to go beyond their existing policy.

DR. TYSON: When were these remarks made?

MR. LAKE: Yesterday.

DR. TYSON: Their existing policy, their policy has been in this to say that this is something which we should -- first of all, they say we should wait until the JFTC survey is completed. Our view is the JFTC survey is only part of the issue that has been brought up in the Kodak

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-Fuji dispute, and that we

think, as our other areas of trade where there's disagreement, bilateral negotiations are the best methods of working out the disagreement. We will continue to make that case in Tokyo.

Q So you don't expect to make any move on --

MR. LAKE: No, this summit is not about those four issues, no. But they will come up.

DR. TYSON: They will be raised, but they are each on a separate track and none of them were set up to be resolved at this meeting.

Q Are you sure you're not setting this up as pulling rabbits out of a hat?

MR. LAKE: No.

DR. TYSON: No.

MR. LAKE: Today was a bit of a rabbit, but we did try very subtly in nuanced ways to set you up for it without leaking it. There will not be an economic rabbit coming out of the hat at this summit.

Q How long had this peace initiative been incubating? Can you talk a little bit about how long --

MR. LAKE: We've been talking to them about it for -- well, let me back up. The specific notion of a two

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has been around for some years. Last year there was some tentative thinking about it, but it never got to the stage of a formal proposal. We started working with the South Koreans on this, I'd say, over the last two months. Pretty much since my visit here, and I think it was February. And we had most of it concluded and the Presidents has put the final seal on it before they went out.

Q Do you think there was any relationship between the incursions and this initiative that is going on?

MR. LAKE: No, actually, we'd been working on the initiative since before the incursions. So it would be very wrong to say the incursions created the initiative. I think the only real relationship is that the incursions, as the President said, do show the dangers of provocative actions that could lead to crises that could have very serious consequences, and this makes all the more important our working to try to achieve a peace settlement on the Peninsula.

Q Is there any consideration of adding U.S. troops in South Korea, such as taking up some of the ones to be taken out of Japan?

MR. LAKE: No. Over the past couple of years, and especially during the course of the negotiations on the nuclear,

North Korea's nuclear program, we have made a number of qualitative improvements -- not major changes -- and we think that we are in a very strong, solid position in South Korea. And we don't anticipate new moves.

Q -- the area that are being moved out of Japan
--

MR. LAKE: I don't anticipate that there will be any significant changes in our troop deployments in Japan. What there will be is relocations within Japan, not movements of troops out of Japan, at least on any significant level.

Q Has there been any pressure applied to Japan to revise its Constitution --

MR. LAKE: No. Any discussions we will have with Japan about its role will be absolutely within the Japanese Constitution.

Q Are you doing anything -- whether you call it pressures, are you doing anything to help them figure out what they want to do along those lines?

MR. LAKE: Along which lines? I can't hear you very well.

Q To get involved in multinational peacekeeping
--

MR. LAKE: No. I'm glad you asked that. We are very supportive of what the -- of the trend in Japanese foreign policies of greater engagement around the world. The role, for example, that Japan played in Cambodia was very positive. And we are supportive of this and in the JDPO of the kinds of things they've been talking about. But we are not putting pressure on them to do anything, and certainly we are not asking them to do anything that is beyond their Constitution. This is up to them.

Q Are you advising them in any way on what would be the right thing to do with their Constitution?

MR. LAKE: No, their Constitution is up to them, period. I could not state that more clearly or firmly.

Q You're presenting the security, this is what the U.S. wanted. But, clearly, the last six months there's been a lot of pressure in the United States to do something about the Okinawa bases; and now there's a lot of people, including the governor of Okinawa, still upset about what the United States is doing, is asking for more, asking for troops to be moved out. I mean, do you think this is the beginning of a trend?

MR. LAKE: That is not what Secretary Perry reported. In fact, what we understand is that the reaction in Japan has been very, very positive to what Secretary Perry has worked through, including on the issue of Futenma.

Q Did you see the comments by Hosikawa two weeks ago in Washington? I mean, he said, you know --

MR. LAKE: I would refer you to the reaction to what we have announced today, rather than any comments of two weeks ago before this was all announced.

Q -- the student protests in the last couple of days in Okinawa -- there's an underlying anger there.

MR. LAKE: I think you will -- let me say to you first, of course, there was an anger in Okinawa, especially after the incidents, to the incident last fall, which we have stated we regret very deeply. And, of course, the people of Okinawa have seen their lives -- discombobulated is not a good word, is it, what would --

Q Disrupted -- disrupted is a good word.

MR. LAKE: -- disrupted to some degree by artillery practice, you know, training flights, et cetera. We're resolving those issues. I think you will discover when you get to Japan that there is -- all our reports suggests a very, very positive reaction to what we have accomplished. And, again, I would emphasize that we have done this without degrading our military capacities in the region.

So we're very happy. We understand the Japanese are very happy. The Japanese government has played a very positive role in doing this.

Q What is the President going to be saying directly to the Japanese people on this trip in his speeches? What kind of message is there going to be directly to try and influence, you know, broad public opinion?

MR. LAKE: Let me say one more thing and, again, I'll come to that. Because I saw recently -- I could try to find for you a USIA poll which showed that public support in Japan for the security relationship has been growing again in the past couple of months after it went down in the wake of the Okinawa incident.

I think the President will be trying to make the point that's somewhat to the akin to the point Laura was making on economics, that there are those in Japan who argue that the Japanese are doing us a favor by allowing us to station troops in there and to maintain the security alliance. And there are those international United States who argue that we are doing the Japanese a favor by offering them the alliance and our security presence.

What the President will argue is that, in fact, this is in both of our interests, as it eventually is. Just as Laura was saying on the economic side, that opening the Japanese market is good for us in creating new jobs and good for the Japanese in creating greater consumer choice. So the President wants to keep talking about this mutuality of interest as a way of reinforcing public support in both Japan and in the United States for a security relationship that serves our security interest.

If anybody has to ask why this is in our mutual interest, they only have the look at the events on the Taiwan Straits of a month ago, and they only have to look at the tensions on the Korean Peninsula over the last few years. I would also argue that our maintaining this presence in Northeast Asia in the long

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-term is very much in the interests of everybody -- United States, Japan, China, South Korea, everybody -- because if we were to withdraw them it would create a vacuum in the region that could only then be filled by an arms race which could include China, Korea, Japan and others. It would be in nobody's interest, either security terms or economic terms.

Q What can you tell us about the security declaration?

MR. LAKE: It will review the important -- as I said, the importance of our security ties in general terms. It will -- and this is the first time we've done this a number of years -- it will review the importance of the security ties in terms of events within the region. And it will specifically endorse maintaining 100,000 American troops in the Pacific and maintaining about our current troop levels in Japan. It will not name a number, but it will endorse about the current levels.

Q Is it 100,000 for the Pacific, though?

MR. LAKE: Yes. We have about 47,000 troops in Japan, but that varies up and down and we don't want to, therefore, use a specific number.

Q -- 38,000?

MR. LAKE: About 47,000.

Q What will the declaration say about compensation from the Japanese for our troop presence?

MR. LAKE: I can't remember, frankly, but it says -- I will say that the Japanese offer support for our troops at a higher rate than any other nation in the world and we are well pleased with what they are doing there. It's about \$25 billion over five years.

Q Twenty

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-five million?

MR. LAKE: About \$25 billion over five years. I'll go check that and get back to you if I've got that wrong, but -- which is 70

□

-some percent, over 70 percent of our net cost. Not all our costs, because they don't pay the salaries of our troops, but in the additional costs of being there.

Q What's the purpose of the trip to the carrier tomorrow, and what's the message there?

MR. LAKE: I think the message is, one, as the President does almost everywhere he goes that he is grateful for the sacrifices our men make, especially those at sea who are separated from their families -- our men and women -- and very proud of the job they are doing, one.

Two, there's a Japanese cruiser that is moored nearby and he will point to the symbol of our cooperation with the Japanese. And, third, it is a way again of dramatizing our security ties to the Japanese on the fact the we are a Pacific power.

Q Can we change the subject for a second?

MR. LAKE: Certainly, especially if it will be getting heard at --

Q Lebanon and trade. (Laughter.)

Q Besides -- that Christopher has made, what else is going on? Is it just the status quo, or do you think the President is going to get personally involved?

MR. LAKE: The Secretary has been staying in very close touch, of course, with the President, as he works the telephones, which he's continuing to do. I don't have much new to report from actually what was reported to you, that McCurry said in Anchorage, it's a work in progress. The Secretary's being here does not mean that he's not working this issue very hard.

Q The message seemed to be from Peres that he's upping the French offer and that --

MR. LAKE: I really would rather not get into what is a constant evolution here.

Q Has the President sent messages to Peres or anyone else through --

MR. LAKE: I know that the Secretary is speaking for the President when he makes his calls.

What's that?

Q That's good.

MR. LAKE: Good what?

Q It's a good thing -- he should, the Secretary speak for the President.

MR. LAKE: We like to run the government that way, yes.

Q (Inaudible).

MR. LAKE: What? We speak only to God. Secretary speaks only to Presidents and we speak only to God. (Laughter.)

Okay. Anything else on Korea? Going once --

Q How is your rotisserie team going?

MR. LAKE: First place, thank you very much.

Quickly out of the blocks. A very heavy

□

-hitting team, a little

weak on pitching, but Ben McDonald is looking good, and I'm very hopeful.

Q Oh, his rotisserie team. I didn't know.

DR. TYSON: Could I make one general point that I think I'd like to reiterate. We've made it before, but one of the things on the trade issue, there's a tendency to want to assess each of these meetings in terms of are we giving more or less attention to the trade issue and does that mean a change in our policy?

And I really want to emphasize that I see it as a policy of continuity and consistency, that we had the same policy, it's produced results. The fact that at this particular meeting we will talk about some of the issues, but they will be moving forward on different tracks should not in any way be interpreted as a change in the priority we afford to the trade issue or to a change in our policy, which has been consistent the whole time. And our view is that each part of this relationship has to be healthy and secure and stable in order for the overall relationship to be --

MR. LAKE: I hope you heard the way I put it in the beginning, which is that there is a balance in our policy, always has been, but we don't think it's been perceived that way. This is not the security going up and the trade, the economics coming down. After she leaves I'll tell you what it really is.

You're all my closest friends. Do I need more of these?

Q No, you're fine.

MR. LAKE: Okay, good.

Q So have you heard anything from China on --

MR. LAKE: On this?

Q Yes.

MR. LAKE: The South Koreans have been in touch with the Chinese, as have we. And the Chinese have expressed their understanding of what we are doing.

Q That sounds very controlled.

MR. LAKE: Well, no, I think that's -- if you go back and look at the way we worked with the Chinese on the North Korean nuclear issue, as I think we talked about two years ago,

they would never tell us what they were actually doing. So I think it's a reaction, we're not displeased.

Q So is understanding a precursor, usually, to saying yes?

MR. LAKE: Well, we'll have to see. I think, you know, we have to work it now with the North Koreans, mostly -- not "we," but mostly South Koreans. And we've both been in touch with the North Koreans.

Q Are the Chinese going to follow more or less with what the North Koreans do?

SENIOR ADMINISTRATION OFFICIAL: LET ME GO ON BACKGROUND HERE, because I don't want to speak for the Chinese. I think you've got that right, yes.

Q (Inaudible).

MR. LAKE: Well, no, I wouldn't just say just totally follows suit, but I think they'll wait and see a little. And, again, as the two Presidents were saying, and they discussed

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this at some length in their meeting, we don't expect the North Koreans to give an immediate positive response. As the President said, that would be great, we don't yet have their official response. We'll have to see what it is.

This is an offer that will remain open. We will be patient, we will simply continue to work it. We do think this is the way forward and we hope it will bear fruit. But it may require some patience. The important thing is that it is a formal proposal, it is on the table and will stay on the table and we will continue to pursue it. I'm told, I believe that the Japanese government has made a supportive statement in the last couple of hours.

Q -- through our allies going to make a big diplomatic push to try to get other friendly countries towards the North Korea to urge them to do this, or are we putting it out there and let the North Koreans do what they want?

MR. LAKE: I think the North Koreans will make this decision as they usually do based on their own calculation of their interest. So I'm not sure trying to put a lot of international pressure on them now would be productive. I think it's time -- they understand what's in the proposal, it's a positive proposal and I think we'll give them a chance to work it through.

Q Who might contact them and try to persuade them.

MR. LAKE: What?

Q Who might you expect to contact them?

MR. LAKE: Well, I was just saying that we have been in touch with them, they understand it and we're waiting for their word now.

Q Are we looking at weeks or months before something happens, Tony?

MR. LAKE: We just don't know.

Q Tony, has Yeltsin been briefed on this proposal?

MR. LAKE: The Russians have been briefed, yes.

Q What's their opinion about this?

MR. LAKE: I think we'll continue -- we don't have, really, a response. I'm sure we'll be discussing it again when we get to Moscow, as the President will be discussing it with the Japanese, although we already have a positive response from them.

Okay? Thank you.

Q You don't have a date yet for a corporate conference, right --

DR. TYSON: No -- if anything, and more likely sometime -- we were supposed to work out a date last week, but as you know, everything was so -- so there is a commitment to have it. It will be approximately the same format that we had always planned and we'll find the first open date that works with other things on the President's schedule. But certainly we'll have it some time in May.

THE PRESS: Thank you.

END

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TO: Steven J. Naplan@eop (Steven J. Naplan@eop [NSC])

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TEXT:

DEPARTMENT OF STATE

DAILY PRESS BRIEFING INDEX

Friday, December 19, 1997

Briefer: James B. Foley

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- 1 US congratulates Jamaica on holding of elections
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- 2 Ninth anniversary of PanAm 103 bombing

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U.S. DEPARTMENT OF STATE

DAILY PRESS BRIEFING

DPB # 184

FRIDAY, DECEMBER 19, 1997 1:10 P.M.

(ON THE RECORD UNLESS OTHERWISE NOTED)

MR. FOLEY: Welcome. I apologize for the delay. We had some technical difficulties. I have a number of announcements to make.

First, following the holidays, Secretary Albright will deliver a major address reflecting on her first year as Secretary of State. Her speech, which is tentatively scheduled to take place in the second week of January, will examine the critical foreign policy decisions of 1997, and she will also explain her vision of the future of US foreign policy. We're going to provide details as soon as they are finalized, shortly after the new year.

Secondly, we're going to have a senior administration official here at the podium at 2:30 p.m. this afternoon to give you a background briefing on the Secretary's meetings yesterday in Europe with Prime Minister Netanyahu and Chairman Arafat.

I have a few other announcements. We congratulate the people of Jamaica on the holding of national elections on December 18. Jamaica has a strong tradition of democratic government, but past elections have often been marred by violence and fraud. Regrettably, yesterday's elections gave rise to three deaths and to some allegations of malpractice.

Nevertheless, thanks to the efforts of the people of Jamaica, also to the efforts of domestic and international election observers, government officials, and the political parties and their leaders, the elections of 1997 were more orderly than those in recent Jamaican history. The United States Government looks forward to continuing to work with Prime Minister Patterson and the government of Jamaica.

Next, the Assistant Secretary of State for South Asian Affairs, Karl Inderfurth, met with his Russian counterparts in Moscow, December 18 and 19 -- yesterday and today -- to discuss South Asia, and particularly the situation in Afghanistan. The talks were conducted in a spirit of close cooperation, and explored ways in which the two sides could work together to create conditions for a political settlement that would bring peace and reconstruction to Afghanistan.

The discussions were conducted in the context of the support given by both the United States and Russia to the efforts of the United Nations and the secretary general's special envoy for Afghanistan, Ambassador

Lakhdar Brahimi. The United States and Russia call on all Afghan parties to stop fighting and to begin serious negotiations.

I'm also going to post a statement concerning the use of American passports for travel to Mexico. Let me just state briefly the main item, which is that the Department of State has been receiving queries that, as a result of an alleged change in either US or Mexican requirements, US citizens will have to have a passport to enter Mexico. These reports are false. We would like to affirm that the entry requirements for US citizens going to Mexico are unchanged.

And finally, on a more somber note, this weekend marks the ninth anniversary of one of the worst terrorist attacks in the history of our country. On December 21, 1988, a bomb destroyed Pan American Flight 103, killing 259 passengers and 11 residents on the ground in the town of Lockerbie, Scotland. Altogether, the 270 victims represented nationals of 21 countries; 189 of them were citizens of the United States.

An exhaustive criminal investigation uncovered convincing evidence that two Libyan intelligence officials were responsible for placing the bomb that destroyed the aircraft and the lives of so many people. Both men face serious criminal charges in the United States and in Scotland. The international community has demanded that they be surrendered for trial. But they are still sheltered in Libya.

We have not forgotten the terrible crime committed that day nine years ago; and we shall not forget. We will continue to demand that the two men accused of this crime be held to answer so that the truth may be known. We pledge our continuing commitment to see that justice is done.

This Sunday, our thoughts will be with the family and friends of those who so needlessly died, as they gather at Arlington Cemetery, in Lockerbie, and elsewhere to remember their loved ones. We in the State Department, particularly, send our prayers to the families of our colleagues who were among the slain.

I'd like to take your questions.

QUESTION: Prime Minister Netanyahu said today that despite US calls for a time-out, he won't limit the building of Jewish settlements in the West Bank or Jerusalem. I don't know whether you saw those or not; but if you did, do you have a comment?

MR. FOLEY: I've not seen those comments. But our position on the matter of settlement activity is unchanged. We believe that such activity is unhelpful, particularly at this very sensitive moment in the peace negotiations. We've long urged all the parties to refrain from unilateral acts which make it difficult for the negotiations to progress and to prosper, and to avoid actions that tend to pre-judge final status or permanent status negotiations.

QUESTION: He also said, Netanyahu, that the West Bank is part of Israel, proper. That prompted some reaction from European officials. I was wondering if you --

MR. FOLEY: Well, again, I have not seen his comments. So it's hazardous, really, for me to comment on something that I can't officially attribute to the Prime Minister. But clearly, that is an area and a territory that we regard as subject to negotiations in the

permanent status talks.

QUESTION: Do you have any reaction to the Makharadze sentencing?

MR. FOLEY: I just heard about it, in coming in, so I can't give you an official comment. But we believe it was a fair trial. The sentence seemed to us to have been also a fair one that reflected the nature of the crime involved.

I'm aware that the judge in the case took note, acknowledged the courageous decision by President Shevardnadze to waive the diplomatic immunity of the defendant. I believe, in that respect, that the harshest sentence was not imposed. It was clearly a serious sentence that he received, and we believe that justice has been done.

QUESTION: What do you think the message is from the court about diplomatic immunity?

MR. FOLEY: Well, I've just been briefed orally before coming in, so I'd rather leave, maybe, until next week an official comment, because your question is highly speculative.

I was informed, however, that the judge did take into consideration the fact that the government of Georgia had voluntarily determined to waive the diplomatic immunity, which, as you know, is a very unusual circumstance. In that respect, I believe he took that into account in his sentencing decision.

QUESTION: If I could follow just for a second, you know there are efforts underway on Capitol Hill to reform - if that's the right word for it - diplomatic immunity. How much is the State Department willing to support efforts to reform diplomatic immunity?

MR. FOLEY: Well, I don't think we've seen specific legislation that's been introduced. I think there's an effort underway in the Congress to encourage nations around the world, including the United States, in instances where diplomatic immunity is not waived, to commit to try diplomats in their own country when they return.

As you know, our practice is - in cases such as these - is to seek a waiver of diplomatic immunity. We do not believe that diplomatic immunity is in any way a license for foreign diplomats to commit crimes in our country. There have been cases where such waivers have been obtained, usually involving lesser violations, lesser crimes than what occurred in this case. There are very few. It's a very rare instance where crimes of this nature do take place. I believe there was one in the United States a number of years ago, involving a murder where diplomatic immunity was waived and the prosecution ensued.

But we'd have to take a look at that legislation. We're working with the Congress, I believe, on the idea. I'm not sure how far advanced it is, though.

QUESTION: Do you agree with that concept of bringing diplomats back to their home?

MR. FOLEY: Well, it's something that we'd have to look at very carefully, our legal experts here, and I think at the Justice Department. There are practical difficulties involved. For example, in a hypothetical case, where an American diplomat was brought home to this

country and was charged with crimes overseas, there would be practical difficulties in pursuing a prosecution here that one could imagine, involving location of witnesses and the collection of evidence and items of that nature. So it's something that the legal experts, I think, in the government and also in Congress would have to work on.

QUESTION: What is the US reaction to reports that Iraqi palaces were opened to the press?

MR. FOLEY: I think it's a demonstration of rank hypocrisy on Iraq's part. It is of a piece, with the announcement three or four weeks ago, that Iraq was willing to invite delegations, foreign delegations, to visit presidential sites. What it demonstrates is that the Iraqi claims of sovereignty protecting UN access to those sites are hypocritical, because what's clear is that Iraq does not want UNSCOM to go to those sites to do its work. But it's willing to let reporters, foreign delegations to go there to visit what they claim to be sensitive and sovereign sites that ought to be off-limits.

It's very obvious that their problem is with UNSCOM, and it's UNSCOM they don't want to visit those sites, and that can only raise questions as to why they don't want UNSCOM to visit those sites. I think it's, again, of a piece of a pattern where the Iraqis take actions which only undermine their own case, the coherence of their arguments and the legitimacy of their case.

QUESTION: Do you have any comment on the result of South Korea's presidential election? And what kind of cooperation do you expect between the US Government and Mr. Kim Dae Jung, elected candidate as the next president of South Korea? Do you have any plan to invite him to Washington?

MR. FOLEY: Well, we certainly congratulate Mr. Kim Dae Jung on his victory in yesterday's election. Mr. Kim is well-known as a supporter of strong relations between the United States and Korea, and he has many friends here. So in answer to your first question, we certainly look forward to working with him in the future, and we expect to have an excellent, productive working relationship with him.

We also would like to congratulate the people of Korea, who once again have demonstrated their impressive commitment to the democratic process. This is the third free presidential election since the end of military rule, and the first to involve a transfer of power from one political party to another. So we think it's a very significant event that really consolidates once and for all the establishment of democracy in South Korea. We congratulate the people of South Korea on the elections.

In terms of a possible visit, I'd have to refer you to the White House, because, of course, it would involve presidential invitation.

QUESTION: Do you think it's going to do something for the four-party talks?

MR. FOLEY: We don't anticipate any change in South Korea's commitment to the four-party talks. I understand that in his comments following his victory last evening in Seoul, that Mr. Kim did, among other things, declare his support for the four-party talks forum. So we're very encouraged by that.

QUESTION: -- during the presidential election, Kim Dae Jung said over

and over again that he is interested in direct dialogue with the North Koreans more than the four-party talks. So other than he supported the four-party talks yesterday, do you have any anxiety of the future of the four-party talks because of his attitude toward the presidential campaign?

MR. FOLEY: That's a good question. We have no anxiety whatsoever. On the one hand, he confirmed his support for the four-party talks. We look forward to their continuation in the next couple of months, after the new year.

But in terms of his long-standing call for dialogue between the North and South, and the development of relations between the two countries, we support that and we think that it can only help to reinforce prospects for success within the four-party talks forum.

QUESTION: Can we go back to Iraq for a second?

MR. FOLEY: Sure.

QUESTION: Saudi Arabia has announced that they plan to arrange for transport for pilgrims from Iraq and Libya to Mecca for the upcoming Hajj. Is there any US reaction to that?

MR. FOLEY: Yes, the Saudi Arabian Government announced this on December 16 - that the government will take measures and request appropriate UN approval to ensure that all Libyan and Iraqi pilgrims are able to meet their Hajj obligations. The US very much welcomes this important Saudi initiative. The United States has always supported allowing Libyan and Iraqi pilgrims to meet their religious obligations.

In the past, the Libyan and Iraqi regimes have made cynical political use of the Hajj, by dispatching flights in defiance of UN Security Council resolutions. We believe that this year, the Saudi initiative will address fully the needs of all Libyan and Iraqi pilgrims. We understand that third country aircraft will be used, and UN procedures respected.

In other words, unauthorized flights would therefore be unnecessary and unjustified. We expect the Iraqi and Libyan regimes to respect the will of the international community in this regard.

QUESTION: On Rwanda, have you seen the latest reports about the violence?

MR. FOLEY: I have not - reports this morning, Carol, or today?

QUESTION: Yes, about another attack on a refugee center.

MR. FOLEY: I don't have the document before me, but you would have seen the very sobering statement that our spokesman, Jamie Rubin, issued the other day in Europe, following the report that Ambassador Scheffer made to Secretary Albright on his visit to the site of the latest massacre. And we are indeed deeply concerned about the prospect of renewed genocide in Rwanda, and are consulting with the United Nations Security Council, with the Rwandan Government and with countries in the region. We are considering diplomatic and other steps that we will take to deal with what is clearly a deteriorating security situation.

QUESTION: Can I follow up on that?

MR. FOLEY: Sure.

QUESTION: David Scheffer, in his report, talked about 327 people that were killed in the Mudende attack, but apparently there is some consternation around that figure, because some witnesses put it three, four, five times greater.

MR. FOLEY: Well, I've read the report that he gave to the Secretary, and he conducted a very thorough and serious investigation. He was not alone; he was accompanied by other experts and officials. I have to believe that it's a credible report, and the Secretary was deeply moved by his report. As I indicated, we're consulting with our allies on the Security Council to see what we can do about the current situation, which is clearly deteriorating.

As to the specific numbers, whether it was - I believe the number in his report was higher than what the original press reports had indicated. So I'm not sure that it is an issue, but I'd be happy to talk to Ambassador Scheffer, though, to ask him about the specific number.

QUESTION: Do you have any comment on the International Tribunal releasing - I guess it's three Bosnian Croat suspects?

MR. FOLEY: Yes. The United States supports the prosecutor's decision to withdraw these indictments after they were reviewed. This decision is in accord with the highest duty of any prosecutor, which is to see that justice is done.

We would also point out that this development shows that these indictees did the right thing by surrendering voluntarily on October 6. It shows, in particular, that the process at the Tribunal is fair and impartial. This example illustrates to all sides each case is looked at individually. No one is prejudged when they arrive in The Hague.

Today's action by the Tribunal also sends a strong signal that other indictees should surrender voluntarily now. They, too, will get fair treatment in The Hague.

No other questions?

QUESTION: There was a lack of evidence; is that your understanding?

MR. FOLEY: That's my understanding. I'd have to refer you to the Tribunal for details on that. But the legal standards for bringing an indictment and for going to trial are different. The prosecutor must review evidence against any indictee before deciding to bring an indictment and before going to trial. So the standards may be different.

QUESTION: Are you concerned that there may not be enough evidence against a lot of these other suspects; that maybe they have nothing to fear at all by turning themselves in?

MR. FOLEY: Well, there have been, I think, upwards of 22 indictees in The Hague. And there have only been three now, as of today, who have been released.

What we're looking for is not to look at the number who are there, but the number who belong there. We've got some ways to go so that all

indicted detainees are in The Hague.

What this development today demonstrates is that they'll get a fair hearing. I think, clearly, it must be a complicated situation that the Tribunal has to deal with, in compiling evidence and witness testimony. But they've been at work on this for quite some time, and they believe that they have solid cases. That's why indictments are issued.

But the standard for prosecution, clearly, is higher. I'd have to refer you, though, to their assessment of how they're doing with their other cases. But we want the emphasis to be on those who are not yet in The Hague. They need to go there. It's obviously a fair Tribunal. Those who are indicted and who loudly proclaim their innocence ought to test their innocence in what is clearly a fair Tribunal.

QUESTION: On Sunday in Okinawa, Japan, voters are going to be participating in a referendum on whether or not to build a new heli-port off of Nago, Okinawa. Depending on the outcome, what do you think - will it have an effect on US-Japan relations?

MR. FOLEY: Well, let me give a little of the background to this vote. On the Special Action Committee on Okinawa final report, the governments of the United States and Japan agreed to the return of Marine Corps air station Futenma, after adequate replacement facilities were completed and operational.

We remain committed to the implementation of this SACO final report, as it's called. The final report stated that a replacement facility for Futenma air station must maintain that air field's critical operational functions and capabilities. We believe a sea-based facility, such as is proposed in this referendum, could meet these criteria.

We'll be watching the outcome of the vote, but we believe this is a domestic matter within Japan. So I really wouldn't want to comment further. This is one possible solution to the relocation question to which we've committed. But it's an issue that will be with us, regardless of the outcome of the referendum.

QUESTION: Anything on Americans who may have been aboard the plane that crashed?

MR. FOLEY: We have only press reports that indicate that there may have been several American citizens who were on board; but we're unable to confirm that. Our embassies both in Jakarta and in Singapore are working intensively on this right now.

QUESTION: The Turkish Prime Minister is here in Washington --

MR. FOLEY: And I can't really comment on it while he's over at the White House.

QUESTION: Nothing at all?

MR. FOLEY: The White House will be in a position to talk about the visit maybe later this afternoon.

Thank you.

QUESTION: Thank you.

(The briefing concluded at 1:45 P.M.)===== ATTACHMENT 1 =====
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CREATION DATE/TIME:22-DEC-1997 16:38:11.00

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U.S. Department of State
97/12/22 Daily Press Briefing
Office of the Spokesman

DEPARTMENT OF STATE
OFF-CAMERA BRIEFING INDEX
Monday, December 22, 1997

Briefer: James B. Foley

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U.S. DEPARTMENT OF STATE
OFF-CAMERA PRESS BRIEFING

Briefer: Jim Foley

MONDAY, DECEMBER 22, 1997 12:55 P.M.
(ON THE RECORD UNLESS OTHERWISE NOTED)

MR. FOLEY: A big crowd today.

First I'd like to welcome some visitors from the French Embassy, whom I met in the hallway - welcome -- from the press section of the French Embassy.

Second, I'd like to announce that Under Secretary for Global Affairs, Timothy Wirth, will give sort of a farewell press briefing tomorrow morning at 11:00 a.m. here in the briefing room. He will be reviewing his tenure as Under Secretary - the first in that position - talking about the range of issues that he worked on here in the Department. It's his last week in the job, and he'll be taking questions on the work that he's accomplished, and also his views on where we're going on some of the global issues that the United States will be facing in the years to come.

QUESTION: Is that on camera?

MR. FOLEY: I don't believe so.

QUESTION: Okay.

QUESTION: Why not?

MR. FOLEY: Well, we haven't fully addressed the --

QUESTION: No, but it's on the record --

MR. FOLEY: It's on the record, yes. I didn't know that was a concern, Barry, of AP.

QUESTION: Sure it is. Well, no, it's a concern of - AP has t.v., but besides that, if something's on the record, it should be available to all forms of reporting.

QUESTION: I agree.

QUESTION: No matter what tie he's wearing.

MR. FOLEY: We'll look into that.

QUESTION: Lots of things to ask you about, but let me start with Iraq. The obvious question - how well --or poorly, it may be -- is the US doing in getting its friends and would-be friends and so-called friends to support a condemnation of Iraq?

MR. FOLEY: As you know, we've been discussing the issue with our

colleagues on the Security Council since Chairman Butler's report to the Security Council last week.

My understanding is that we expect to have a presidential statement agreed sometime today. I don't have the elements of the statement, but my understanding is that it will clearly reaffirm Security Council resolutions that call upon Iraq to comply fully with the requirements of UNSCOM; in particular, UNSCOM's requirement to have full, unfettered, unqualified access to all sites it deems necessary to inspect inside Iraq.

QUESTION: Well, I was wondering about condemning particularly because, as we both know, that establishes a legal threshold for taking military action.

MR. FOLEY: We'll have to see what comes out of it. As I said, I don't have the text or the draft as it's being worked in New York.

But what I can tell you is that we're looking for a united and extremely firm call upon Iraq to cease its obstruction and to cease delay in fully implementing UN Security Council resolutions.

So we expect that the result will be that the ball will be back in Iraq's court, having witnessed a demonstration of Security Council unanimity on the all-important question of 100 percent compliance with the inspection regime.

QUESTION: There's a story out this morning that Iraq's obstructionism is actually more verbal than actual; that they're doing a better job in complying, and that their deeds are better than their words, citing a senior US official. Do you have any comment on that?

MR. FOLEY: I'd have to refer you to UNSCOM in terms of their view, their assessment of how their work is proceeding. I'm not aware to date that there has been blockage of UNSCOM activities thus far, since they returned to Iraq. But certainly Chairman Butler received a negative verbal message from the Iraqi Government when he was there in which, at least rhetorically, they reiterated their view that certain sites within Iraq were off-limits to inspection. So I don't believe that that story is over. That question will be answered on the ground at the appropriate moment.

QUESTION: Is the US disappointed that it's only a presidential statement rather than a full Council resolution, which obviously would carry more weight?

MR. FOLEY: I'm not sure that we were seeking anything different from that. We're looking for a presidential statement that utterly rejects Iraq's claim to selectively implement UN Security Council resolutions.

QUESTION: You know, we didn't bring up -- the thought of the virtue or the value of condemning didn't originate on this side of the podium; it originated on that side, in the midst of one of these tussles with Saddam Hussein where the State Department said it was considering asking the Council to condemn Iraq, because that in some way that I'm not fully aware of establishes some legal footing for taking military action.

I mean, for the president of the Security Council to say it would be a good idea if Iraq permitted unfettered inspection doesn't seem to carry the -- we could wait for the statement, but I don't know how that

advances your pressure tactics at all.

MR. FOLEY: Well, we have to cross each bridge as we come to them. And I say them because there could be many stages as this crisis continues to play itself out. Right now, we believe that it is appropriate to pursue this kind of a statement that very clearly emphasizes the unanimity of the Council on this all-important question of 100 percent access to sites.

I'm going to answer your question, though, Barry, if you'll bear with me.

QUESTION: Yes. Sorry.

MR. FOLEY: The reason is that, as has I think been made clear by different American spokesmen, for example, we believe that Saddam Hussein grossly miscalculated when he triggered this crisis, believing erroneously that he could drive a wedge through the international community, and through that wedge obtain some sort of early or partial or premature lifting of sanctions.

I think it must be coming crystal clear to Saddam, and it will be even more so following what we expect will be passage of the statement, that that idea was nothing but an illusion; and that for so long as he fails to cooperate 100 percent without restrictions or conditions with UNSCOM and its inspection regime, the hope of ever seeing a lifting of sanctions will be unrealistic and never fulfilled. So that's where we are now.

As I indicated, I think the ball will be kicked back into his camp. He will find that the prospect of sanctions relief has been further set back, further removed in time by his actions of the last two months.

Where we go after that - after that realization sinks in - we would hope for cooperation. But let's, as I said, cross each bridge as we come to them.

QUESTION: I mean, nobody's going to drive a wedge between the United States and Britain. But Russia, France and others have had different views -- I don't know about a wedge -- and the way to get unity is to take the least common denominator and everybody agrees to it. That sounds like what's going on.

MR. FOLEY: His strategy, we believe, was to obtain early, partial, premature sanctions relief. That is not going to happen. We have unanimity on the Council in that regard, and we expect that to be reaffirmed today.

QUESTION: If he doesn't comply with the UN resolutions despite what our allies do or don't do, would the United States consider unilateral military action? Would it consider military action in concert with another ally?

MR. FOLEY: Well, that's not the first time, of course, that question has been posed to Administration spokesmen. I can only repeat what Administration spokesmen have consistently said, which is that we don't rule any options out; we have other options at our disposal. But we are endeavoring to resolve this challenge successfully and, at this stage, diplomatically. That process has not played itself out.

QUESTION: Libya, Farrakhan. Do you have any comment on the remarks that he made during his visit there, which I guess coincided with the anniversary of the shoot-down?

MR. FOLEY: I would have not seen his specific remarks. Our view on his trip we've stated from the podium, including the visit to Iraq, but also the visit to Libya. Libya is an international pariah. It was really stupefying timing, if you will, the idea that he would be there actually on the very date of the anniversary of the downing of Pan Am 103. We think that in anyone's communication with the Libyan authorities there ought to be a single message, which is to comply with UN Security Council resolutions and make available the two suspects to the courts where they are wanted for trial.

QUESTION: This doesn't sound like Christmas week on t.v. - revivals. Let's revive the third old chestnut: Dennis Ross going to the Middle East. The Israeli Government thinks he'll be there in January. Could you flesh that out a little bit?

MR. FOLEY: I haven't spoken to him today. It's unfortunate; maybe I would have a specific answer to your question.

QUESTION: We were talking on background.

MR. FOLEY: I believe he has not set plans for a visit to the region. I wouldn't rule it out, but I'm not aware of any specific plans at the moment.

QUESTION: Do you think the Israelis are wrong, do you think?

MR. FOLEY: As I said, Barry, I've not spoken to him this morning, and I'm not aware of his specific plans.

QUESTION: Okay.

QUESTION: You may not have an answer to this, but bear with me for a second. There's a story in this morning's L.A. Times about state and federal officials who are demanding reimbursement of legal, health and welfare benefits given to immigrants who leave the country and come back. They go back to Mexico or whatever and come back. These are benefits that were legally granted and legally obtained. There is a State Department tie-in here, in that State administers the visa program --

MR. FOLEY: I was wondering if there was.

QUESTION: Yes, well, the visa program, in which a lot of these people come in in the first place. Apparently, according to the story, the State Department sent, along with INS, directives to its employees saying that this was of questionable legality, and to cease and desist. Do you know anything about this?

MR. FOLEY: I don't. I'd be happy to take the question and to see whether there is a State Department dimension to it. Clearly, immigration issues are mostly the province of the Immigration and Naturalization Service. We may have to talk to them in order to get an answer to your question.

QUESTION: Well, except that the tie-in is both this directive and the fact that State administers the visa program. One of the grounds in

which people get admitted under that program is that they won't become wards of the state.

MR. FOLEY: That's right.

QUESTION: The assumption that they won't become wards of the state.

MR. FOLEY: I'd be happy to look into it, Judd; I have not heard it.

QUESTION: Thanks.

QUESTION: Do you have anything to say on the Okinawa referendum?

MR. FOLEY: Yes. In the final report of the Special Action Committee on Okinawa, the governments of the United States and Japan agreed to the return of Marine Corps Air Station Futenma after adequate replacement facilities were completed and operational.

Both governments remain committed to the implementation of the SACO final report. We are, of course, aware of the results of the referendum, but we believe this is a domestic matter for Japan.

QUESTION: Isn't this a setback? I mean, this was the option that you favored.

MR. FOLEY: Well, the agreement is still in place, as I noted. Under the agreement, we are prepared to relocate, provided that adequate replacement facilities are completed and operational. So I don't think this is the end of the story, but I'd really refer you to the Government of Japan on the question of where we go from here.

QUESTION: Sunday morning a Liberian official was hijacked with two companions on North Capitol Street. Do you know anything about this, and can you confirm that it was the Acting Ambassador?

MR. FOLEY: It's the first I've heard of it. I'll look into it after the briefing.

QUESTION: Okay.

MR. FOLEY: When did that take place reportedly?

QUESTION: About 2:30 a.m. Sunday morning.

MR. FOLEY: I'll get back to you on it.

QUESTION: I want to go back to the Okinawa issue.

MR. FOLEY: Yes.

QUESTION: You said - (inaudible) - the United States and Japan remained to commit the SACO final report. Do you mean that, in spite of yesterday's conclusion, the United States and Japan tried to proceed this program or not?

MR. FOLEY: I'd have to refer you to the Government of Japan. Under the agreement, we made clear our willingness to relocate if replacement facilities could be found. But we're not - it's not for us to try to micromanage the solution that might be found to this issue. I'd really just have to refer you to Japanese authorities on that point.

QUESTION: As you know, the mayor of Nago City, where this referendum took place yesterday, has said over and over that he would decide on what he should do depending on the conclusion of that referendum.

MR. FOLEY: Yes.

QUESTION: So he seems to be very reluctant to accept the - to agree this program. So how do you think - does it give a very big effect to US alliance system?

MR. FOLEY: Well, I really wouldn't want to speculate on what happens next or to comment further on the issue. I think, really, it's a matter that the Japanese authorities are studying right now.

QUESTION: Can I ask about Iran? There's this report in Iranian newspapers today that the American actor, Anthony Quinn, has been invited to a film festival there. I wondered if you had a view on whether he should go?

MR. FOLEY: It's not a matter that we've given a great deal of study to, having just seen the press release minutes - maybe an hour ago, before the start of the briefing. I don't think we have an official State Department position on it.

I think I made clear a week or two ago in the context of the news that, for example, Iran and the United States would be competing in the soccer arena that we certainly think the kinds of people-to-people ties between the two nations are a positive development; that the alienation and separation between the two peoples that have occurred over the last 20 years are unnatural. So I would answer similarly in regard to this press report. I don't think it's clear whether Mr. Quinn is aware of the invitation or has responded to it, but that's just a very quick response to something that I haven't had an opportunity to study.

QUESTION: Also on Iran, this report - you might not have seen it yet - that Iran's state railway company has announced it's going to purchase 100 locomotives from GEC Alston, in France. It's a contract of \$250 million. I guess it doesn't fall under the D'Amato law, but I'm wondering if you had anything to say in terms of business ties?

MR. FOLEY: No, I don't. As you indicated, ILSA itself covers investments in the energy sector in Iran, so that doesn't come into play here.

Any other questions?

QUESTION: What are your comments on Benjamin Netanyahu's latest statements where he ruled out any withdrawal from the West Bank, and that the West Bank is a part of Israel? Do you think these statements or the decision is against the US position and its effort to bring some progress to the peace process?

MR. FOLEY: Well, our position is clear - that in permanent status negotiations, which we are trying with a lot of vigorous effort to get the parties to, that those kinds of issues will be addressed in that forum. We look forward to making progress, including when the two leaders visit Washington next month.

At the end of that process, if we are successful, then we will move to

permanent status negotiations, at which those issues will be addressed.

Thank you.

QUESTION: Thank you.

(The briefing concluded at 1:15 P.M.)

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