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TO: RUEHIA/USIA WASHDC IMMEDIATE

INFO: RUEKJCS/SECDEF WASHDC//USDP/ISA/DSAA//
RHEHNSC/NSC WASHDC
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RUEHLO/AMEMBASSY LONDON
RHEHAAA/WHITEHOUSE WASHDC
RUEAHQA/HQUSAF WASHDC//XOXX//
RUEHC/LABOR DEPT WASHDC//MCCAFFREY//
RHFQAAA/HQUSAFE RAMSTEIN AB GE//CCH
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RHFQAAA/AFOSI DET 501 RAMSTEIN AB GE//EAC//
RUEHRL/USOFFICE BERLIN
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RUEHFR/AMEMBASSY PARIS
RUEHBS/AMEMBASSY BRUSSELS//NESSEE//
RUEKJCS/DIA WASHDC//DC-4A//
RXFMB/US SUPPORT ELEMENT HQ BALTAP//PRO/NA//
RUEHMZ/AMCONSUL MUNICH
RUFDAQLA/NAVCRIMINVSERVRA MUNICH GE//EUMK//
RUEHSU/AMCONSUL STUTTGART
RHFSBCC/17AF SEMBACH AB GE//CCH//
RUFTAKC/UDITDUSAREUR HEIDELBERG GE
RUEHRO/AMEMBASSY ROME
RXFPPH/SACEUR SHAPE BE//PAA//
RUFDAAAA/CINCUSAREUR HEIDELBERG GE

SUBJ: MEDIA REACTIO RUSSIA U.N.-U.S. NUCLEAR MIDDLE

TEXT:

UNCLAS SECTION 01 OF 11 BONN 009126

USIA

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STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO
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HQ ATP ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR
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SUBJECT: MEDIA REACTIO RUSSIA U.N.-U.S. NUCLEAR MIDDLE
EAST U.S. EU;BON

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- B (RUSSIA) YELTSIN DISMISSES AIDES
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- E. (MIDDLE EAST) ARAB UMMIT
- F. (U.S.) HELMS-BURTON ACT

A. LEADSTORIES SUMMARY

FRIDAY, JUNE 21

HEADLINES"YELTSIN FIRES
INTELLIGENCE SERVICE CHIEFS - END OF A LONG AND
DIFFICLT FIGHT'" (FRANKFURTER ALLGEMEINE)

"LEBED'S APOINTMENT LEADS TO POWER STRUGGLE IN THE
KREMLIN" (SUEDDEUTSCHE ZEITUNG)

"POWER STRUGGLE IN THE KEMLIN" (DIE WELT)

"YELTSIN SEPARATES HIMSELF FOM IMPORTANT AIDES"
(FRANKFURTER RUNDSCHAU)

"OLLECTIVE BARGAINING CONFLICT IN PUBLIC SERVICES SCTOR
HAS BEEN SETTLED" (FRANKFURTER RUNDSCHAU)

"YELTSIN FIRES THREE LEADING CONSERVATIVES"
(GENRAL-ANZEIGER)

"BONN IS THE FIRST GERMAN CITY WIT U.N. INSTITUTION"
(GENERAL-ANZEIGER)

EDITORIALS FOCUS ON PRESIDENT YELTSIN'S MOVE TO
REMEVE THREE HARD-LINERS FROM THEIR POSITIONS AND ON THE
ARREST OF THE EX-CEO OF THE INSOLVENT BREMER VULKAN
SHIPBUILDING COMPANY. ZDF-TV'S EARLY EVENING NEWSCAST
HEUTE OPENED WITH THE SETTLEMENT OF THE CONFLICT BETWEEN
THE PUBLIC SERVICES SECTOR UNION AND THE PUBLIC
EMPLOYERS, WHILE ARD-TV'S EARLY EVENING NEWSCAST
TAGESSCHAU FOCUSED ON THE LATEST DEVELOPMENTS IN RUSSIA.

B. (RUSSIA) YELTSIN DISMISSES AIDES

1. NATIONAL RADIO STATION DEUTSCHLANDFUNK OF
COLOGNE AIRED THE FOLLOWING COMMENTARY BY D. BAAG (6/20):

"YELTSIN, WHO IS OBVIOUSLY IMPRESSED BY LEBED'S
UNCOMPROMISING VIEWS, SEEMS TO HAVE MADE A SIMPLE
CALCULATION: LEBED MUST MAKE CLEAR TO HIS VOTERS,

PARTICULARLY THOSE WHO VOTED AGAINST YELTSIN, THAT HE AND
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YELTSIN ARE FORMING A TANDEM THAT WILL RESTORE LAW AND
ORDER IN RUSSIA. FOR THE SECOND TIME, THE SMART YELTSIN
HAS TAKEN THE WIND OUT OF THE SAILS OF THE COMMUNISTS.
AND THE REFORM DEMOCRATS ARE ALSO SATISFIED.

"BUT THE RUSSIAN PRESIDENT ALSO SHOWED THAT EVEN A
LONG, JOINT POLITICAL CAREER AND PERSONAL FRIENDSHIP WILL
NOT PROTECT ANYBODY FROM A SUDDEN WITHDRAWAL OF SUPPORT,
AND THIS ONLY TO STAY IN POWER, WHICH IS NOW THE MAIN
ISSUE FOR YELTSIN.... GREETINGS FROM MACHIARELLI.
KINGMAKER LEBED WOULD BE WELL ADVISED TO INCLUDE THIS
CHARACTERISTIC OF YELTSIN IN HIS CALCULATIONS, SINCE
LEBED CAN BE QUICKLY DISMISSED WITH ONE SIGNATURE OF
YELTSIN.... BEFORE THE RUNOFF ELECTION WE CANNOT EXPECT
SUCH A STEP AND BY THEN LEBED HAS TIME TO DEVELOP HIS OWN
SUPPORT TEAM IN THE KREMLIN."

2. PETER-JOSEF BOCK SAID IN A COMMENTARY ON
REGIONAL RADI
O STATION SENDER FREIES BERLIN (6/21):

"(THE DISMISSAL OF THREE TOP AIDES) SHOWS HOW
JEOPARDIZED AND HOW UNSTABLE THE SITUATION IN THE SECOND
BIGGEST POWER OF THE WORLD STILL IS. ALEXANDER LEBED
HAS WON THE POWER STRUGGLE IN THE KREMLIN - OR THE FIGHT
ABOUT INFLUENCING THE ELECTION CAMPAIGNER YELTSIN. BUT
THE FEW REMAINING LIBERAL REFORMERS IN YELTSIN'S

ENVIRONMENT HAVE WON, LIKE EX-PRIVATIZATION MINISTER CHUBAIS AND HIS FORMER CHANCERY MINISTER WILATOV. IF YELTSIN ALSO WINS THE RUNOFF ELECTIONS, LEBED WILL HAVE ELIMINATED HIS GREATEST ADVERSARY, KORSHAKOV WHO COULD HAVE CREATED THE GREATEST PROBLEMS FOR HIM IN THE KREMLIN.... YELTSIN AGAIN PROVED THAT HE IS WILLING TO SEPARATE HIMSELF FROM OLD BUDDIES IF IT IS POLITICALLY OPPORTUNE.

"CURRENTLY, YELTSIN HAS NO LOYAL CHIEF AT THE TOP OF THE INTELLIGENCE SERVICES AND THE ARMED FORCES. THE HYPER-ACTIVE LEBED...WILL CERTAINLY TRY TO MAKE THE NECESSARY PERSONNEL DECISIONS AS SOON AS POSSIBLE.... YELTSIN AND LEBED HAVE TRIED TO PRESENT THE SPECTACULAR DISMISSALS AS A NORMAL CHANGE OF PERSONNEL AND THE WHOLE AFFAIR IS TO CONVEY THE IMPRESSION: WE CLEAN THE HOUSE, WE CREATE ORDER.... THE MAJORITY OF VOTERS WANT POLITICAL STABILITY AND QUIET IN MOSCOW, BUT THE DISMISSAL OF KOSHAKOV AND CO. HAS RESULTED IN THE OPPOSITE EFFECT, FOR THE TIME BEING."

3. WERNER ADAM NOTES IN A FRONT-PAGE EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (6/21) UNDER THE
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HEADLINE:

"KREMLIN INTRIGUES."

"IT HAS PREDICTABLE THAT LEBED, WITH HIS PREFERENCE

FOR A POLICY TO RULE WITH A ROD OF IRON WOULD GET INTO CONFLICT WITH YELTSIN'S OLD, ARROGANT POWER APPARATUS. THIS HAS ALL THE MORE TRUE, BECAUSE LEBED MAINLY WANTS TO CONCENTRATE ON THE ERADICATION OF CORRUPTION. THIS MEANS THAT A FIRST POWER STRUGGLE COULD HAVE TAKEN PLACE IN THE KREMLIN, WHICH YELTSIN'S NEW SECURITY ADVISOR HAS WON, FOR THE TIME BEING. ONLY AFTER THE SECOND BALLOT...IT MAY BECOME CLEAR WHAT HAS NOW HAPPENED IN THE KREMLIN."

4. JOSEF RIEDMILLER HAS THIS TO SAY IN AN EDITORIAL IN CENTRIST SUEDEDEUTSCHE ZEITUNG OF MUNICH (6/21) UNDER THE HEADLINE:

"LEBED IS GIVING THE KREMLIN A GOOD PIECE OF HIS MIND."

"IN ITS POLITICAL SIGNIFICANCE, THE DISPLACEMENT OF HIGH-INKING MILITARY OFFICIALS GOES FAR BEYOND YELTSIN'S POPULAR AND OFTEN PRACTICED CHANGES OF PERSONNEL.... WITHOUT YELTSIN'S APPROVAL, LEBED WOULD HAVE HARDLY BEEN ABLE TO COCK THE FORTRESS IN THE KREMLIN (THAT WAS CHARACTERIZED BY KORZHAKOV, BARSUKOV, AND SOSKOVETS). THE FACT THAT THE PRESIDENT DROPPED HIS PROTECTORS WAS OBVIOUSLY PART OF THE PRICE THE PRESIDENT HAD TO PAY FOR LEBED'S SUPPORT IN THE RUNOFF ELECTIONS.... BUT WHAT WILL HAPPEN IF LEBED IS NO LONGER NECESSARY? WILL YELTSIN ALSO DROP HIM, OR WILL THE GENERAL GIVE YELTSIN A GOOD PIECE OF HIS MIND? A MUTUAL DEPENDENCE IS DEVELOPING WHOSE FINAL CONSTELLATION IS NOT YET FORESEEABLE. BUT ONE THING IS CERTAIN. AS OF TODAY, THERE ARE TWO RULERS IN THE KREMLIN WHO STILL DEFEND THEMSELVES AGAINST THEIR REAL OR ALLEGED OPPONENTS....

"RUSSIA'S MILITARY OFFICIALS HAVE GOT ACCUSTOMED TO HAVING A SAY IN POLITICS, BUT THEY DO NOT SPEAK WITH ONE VOICE...AND THIS MAKES THEM TO AN UNPREDICTABLE BUT POWERFUL LOBBY. LEBED HAS NOW OFFERED A TASTE OF THE MOOD IN THE MILITARY."

5. CENTRIST NEUE OSNABRUECKER ZEITUNG (6/21)
JUDGES:

"THOSE WHO THOUGHT THAT SURPRISING EFFECTS IN MOSCOW COULD NOT BE EXCEEDED HAVE NOW BEEN TAUGHT BETTER. THE BRAZEN MANNER BORIS YELTSIN SHOWED WHEN HE FIRED THREE OF
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HIS CLOSEST AIDES OVERNIGHT HAS NOTHING TO DO WITH NORMAL
CHANGES. THE MAIN AIM OF THE PRESIDENT HAS TO REMOVE
DEVIATIONISTS THUS SENDING A SHRILL SIGNAL TO THOSE
AROUND HIM. THESE SPECTACULAR PERSONNEL CHANGES CONFIRM
ONCE AGAIN THAT YELTSIN DOES NOT KNOW ANY SCRUPLES BEFORE
THE RUNOFF ELECTIONS. HE IS RIGOROUSLY USING ALL MEANS
OF POWER WHICH A PRESIDENT HAS TO STAY IN POWER. HIS
FIERCEST CONTENDE
R, THE COMMUNIST ZYUGANOV, MAY ASSESS
THIS ATTITUDE AS AN ACT OF DESPAIR, BUT IT WOULD BE MORE
REALISTIC TO CONSIDER THIS ANOTHER CHALLENGE TO ALL
OPPONENTS TO YELTSIN."

6. RIGHT-OF-CENTER LUEBECKER NACHRICHTEN (6/21)
HOLDS:

"WITH THE APPOINTMENT OF ALEXANDER LEBED, YELTSIN IS
LIKELY TO HAVE ACHIEVED TWO AIMS: HE CAN NOW WAIT FOR
THE SECOND BALLOT IN A MORE RELAXED MANNER, AND HE HAS
ABLE TO INITIATE STEPS THAT SEEMED TO BE IMPOSSIBLE A
WHILE AGO: A PROFOUND, PERSONAL RENEWAL AMONG THE SUPREME
POLITICAL RANKS, WHICH WILL OPEN HIS REFORM-ORIENTED
PARTY SUPPORTERS THE SCOPE OF ACTION THEY HAVE MISSED SO
FAR. BUT, FOR THE TIME BEING, THIS IS ONLY A CHANCE, BUT
THERE IS NO CERTAINTY. IT IS ONE CHARACTERISTIC OF THIS
COUNTRY THAT IT FAVORS EXTREME SOLUTIONS, AND ITS
PRESIDENT ITS AT LEAST IN THIS RESPECT AN AUTHENTIC
REPRESENTATIVE...."

7. BUSINESS NEWSPAPER HANDELSBLATT OF DUESSELDORF
(6/21) WRITES:

"YELTSIN'S DECISION YESTERDAY CAN ONLY BE THE
BEGINNING OF THE CLEARING WORKS.... WITH THE END OF THE
REPRESENTATIVES OF THE WAR PARTY, THEIR PROTEGES IN THE
VARIOUS INSTITUTIONS ARE ALSO THREATENED TO BE FIRED.
BUT IT REMAINS TO BE SEEN WHETHER THEY WANT TO RESIGN
THEMSELVES TO THEIR FATE."

C. (U.N.-U.S.) BOUTROS GHALI TO RUN AGAIN

1. WASHINGTON CORRESPONDENT SIEGFRIED
BUSCHSCHLUETER COMMENTED ON NATIONAL RADIO STATION
DEUTSCHLANDFUNK OF COLOGNE (6/20):

"BOSNIA HAS RESULTED IN A COMPLETE BREAK BETWEEN THE
UNITED NATIONS AND THE CAPITOL, BUT IN PARTICULAR THE
LONG HESITATION OF THE U.N. SECRETARY-GENERAL TO GIVE HIS
APPROVAL FOR AIR STRIKES AGAINST THE BOSNIAN SERBS. THE
U.N. MISSION IN SOMALIA ALSO CAUSED FIERCE CRITICISM IN
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WASHINGTON AND AMONG THE REPUBLICANS IN PARTICULAR.
BECAUSE OF ITS INFLATED APPARATUS, MANY REPUBLICANS
CONSIDER THE UNITED NATIONS AN ORGANIZATION THAT SPENDS
MONEY ON USELESS MAMMOTH CONFERENCES AND THAT FAILED
AGAIN AND AGAIN WITH ITS PEACEKEEPING OPERATIONS BECAUSE
IT SHIED AWAY FROM THE USE OF FORCE.

"IF THIS IS REALLY THE CASE, A CHANGE AT THE TOP OF
THE ORGANIZATION WOULD NOT BE ENOUGH. IN ORDER TO
SAFEGUARD THE FUTURE OF THE UNITED NATIONS, IT MUST HAVE
CLEAR PRIORITIES AND A NEW MANDATE MUST BE GIVEN TO A
STREAMLINED AND MORE EFFICIENT ORGANIZATION. AND THE
UNITED STATES MUST BACK IT. BUT WITH BOUTROS GHALI THIS
NEW BEGINNING WOULD NOT BE POSSIBLE."

2. KURT KISTER MAINTAINS IN AN EDITORIAL IN
CENTRIST SUEDEDEUTSCHE ZEITUNG OF MUNICH (6/21) UNDER THE
HEADLINE:

"ELECTION CAMPAIGN WITHOUT ELECTORATE."

"IT IS TIME FOR A CHANGE AT THE TOP OF THE UNITED NATIONS. BOUTROS GHALI IS TOO OLD AND LIKE A RED RUG FOR MANY POLITICIANS IN WASHINGTON. BOB DOLE WILL FORCE BILL CLINTON TO SAY EARLY (WHOM HE FAVORS) SINCE MANY AMERICANS CONSIDER GHALI THE MAIN CULPRIT FOR THE DEATH OF U.S. SOLDIERS IN MOGADISHU. BUT THE MOST IMPORTANT ARGUMENT AGAINST THE EGYPTIAN IS THAT THERE ARE A NUMBER OF BETTER CANDIDATES: FIRST, KOFI ANNAN FROM GHANA, A MAN OF INTEGRITY AND EXPERIENCED U.N. DIPLOMAT WHO IS RESPONSIBLE FOR THE MISSION OF THE BLUE HELMETS. GRO HARLEM BRUNDTLAND OR MARY ROBINSON WOULD ALSO BE GOOD CHOICES."

3. KLAUS-DIETER FRANKENBERGER HOLDS IN AN EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (6/21) UNDER THE HEADLINE:

"PROS AND CONS."

"IN THE UNITED STATES, THE UNITED NATIONS DOES NOT HAVE A GOOD PRESS AND CERTAINLY NO POLITICAL LOBBY.... AND THE AMERICANS CRITICIZE IN PARTICULAR U.N. SECRETARY-GENERAL BOUTROS GHALI.... THIS IS THE REASON WHY THEY ARE OPPOSED TO A SECOND TERM FOR THE U.N. SECRETARY-GENERAL. BUT BOUTROS GHALI, A PERSON WHO IS ABLE TO CONCEIVE CONCEPTS BUT WHO HAS AN ILL-DEVELOPED DIPLOMATIC FEELING, WILL NOT ALLOW ANYBODY TO MAKE HIM RETIRE EARLY THAT EASILY. THE FACT THAT HE SAID DURING HIS VISIT TO BONN THAT HE WANTS TO RUN AGAIN MAY BE A
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MERE COINCIDENCE RATHER THAN A PLANNED ACTION. BUT IT
REVEALS ON WHICH

VOTERS' HE COULD COUNT: MANY EUROPEANS
WILL VOTE FOR HIM AND CERTAINLY ALSO MANY DEVELOPING
COUNTRIES. IN ADDITION, A CONTENDER WHO WILL FIND THE
CONSENSUS AMONG ALL SIDES INVOLVED IS NOT - YET - IN
SIGHT."

4. LEFT-OF-CENTER FRANKFURTER RUNDSCHAU (6/21)
OPINES:

"WASHINGTON'S NO.'"

"WHAT WAS THE REASON FOR BOUTROS GHALI TO ANNOUNCE
THAT HE WOULD RUN FOR THE SECOND TIME WITHOUT HAVING THE
SUPPORT OF THE FIVE PERMANENT MEMBERS ON THE U.N.
SECURITY COUNCIL? HE HAS NOW FORCED THE U.S. GOVERNMENT
TO REACT NEGATIVELY. PRESIDENT CLINTON WOULD HAVE LIKED
TO POSTPONE THE DECISION UNTIL AFTER THE U.S. ELECTIONS.
HE IS NOW UNDER PRESSURE FROM THE U.N. SECRETARY-GENERAL
AND FROM CONGRESS TO SAY WHAT HE WANTS. BUT BOUTROS
GHALI HAS NO WEIGHT COMPARED TO THE INFLUENCE OF
CLINTON'S DOMESTIC POLICY OPPONENTS....

"WHAT WILL NOW HAPPEN IS A POWER STRUGGLE AND A
HAGGLING BEHIND THE SCENES. THE UNITED STATES AS THE
ONLY REMAINING SUPERPOWER WANTS TO PURSUE GLOBAL POLITICS
ON A BILATERAL BASIS. AND THE UNITED NATIONS IS IN THE
WAY. BUT FOR MANY SMALL STATES, THE U.N. IS THE ONLY
FORUM WHERE THEY CAN MAKE THEMSELVES HEARD. IT MAY BE
TOO EARLY TO WRITE AN OBITUARY ON THE CURRENT
SECRETARY-GENERAL.... BUT IF HE HAS TO GO, HIS
SUCCESSOR WILL BE A WOMAN."

5. RIGHT-OF-CENTER BERLINER MORGENPOST (6/21)
NOTES:

"SEVERAL TIMES, BOUTROS GHALI MADE CLEAR - WITH A
VIEW TO THE UNITED STATES - THAT HE DOES NOT CONSIDER
HIMSELF AN EXECUTIVE BODY FOR INDIVIDUAL MEMBER STATES.
THE NO' TO BOUTROS GHALI MAKES IT POSSIBLE FOR BILL
CLINTON TO DEMONSTRATE IN THE ELECTION CAMPAIGN A STRONG
HAND TOWARDS THE UNITED NATIONS WITHOUT HAVING TO
CRITICIZE THE ORGANIZATION ITSELF. THE UNMISTAKABLE
THREAT OF THE UNITED STATES HAS REDUCED BOUTROS GHALI'S
CHANCES FOR A SECOND TERM OVERNIGHT."

D. (NUCLEAR) INDIA AND THE CTBT

1. GUENTER NONNEMACHER POINTS OUT IN AN EDITORIAL

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IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (6/21) UNDER
THE HEADLINE:

"GANDHI'S COUNTRY."

"INDIA'S DECISION NOT TO ACCEDE TO THE CTBT HAS TWO
SIDES: FIRST, THERE ARE DOMESTIC POLICY REASONS. AT THE
LATEST ELECTIONS, WHICH DID NOT RESULT IN A
CLEAR...MAJORITY, THE PARTIES EXCEEDED EACH OTHER WITH
NATIONALIST SLOGANS - AND THE NUCLEAR QUESTION WAS THE
MAIN TOPIC. NOW POLITICS IS THE PRISONERS OF THESE
EMOTIONS. THE SECOND SIDE IS OF FOREIGN POLICY NATURE.
THERE IS A RIVALRY BETWEEN INDIA AND PAKISTAN AND THERE
ARE LATENT BORDER CONFLICTS WITH THE POWERFUL NEIGHBOR IN
THE NORTH, CHINA. BUT WE CAN OFFER ONE ARGUMENT THAT IS
IN FAVOR OF INDIA: AN AGREEMENT THAT OFFERS THE FIVE
OFFICIAL NUCLEAR POWERS A BETTER POSITION TOWARDS THE
INOFFICIAL NUCLEAR POWERS WILL CHANGE THE BALANCE OF
FORCES IN SOUTHEAST ASIA. THE CURRENT ASYMMETRIC BALANCE
OF POWER WILL BECOME EVEN MORE IMBALANCED. NEVERTHELESS,
IT IS SAD THAT GANDHI AND NEHRU'S COUNTRY IS THREATENING
TO BLOCK AN IMPORTANT STEP TO PREVENT THE PROLIFERATION
OF NUCLEAR WEAPONS."

2. KARL GROBE ARGUES IN LEFT-OF-CENTER FRANKFURTER
RUNDSCHAU (6/21) UNDER THE HEADLINE:

"THRESHOLD FEARS."

"THE GOVERNMENT IN NEW DELHI REFUSES TO SIGN THE
TEST STOP AGREEMENT. THIS HAS NOT AN UNEXPECTED MOVE,
SINCE INDIA HAS, FOR A LONG TIME, BEEN ON THE THRESHOLD
OF THE DOOR TO THE STATUS OF A NUCLEAR POWER. AND NOW IT

WANTS TO KEEP SEVERAL OPTIONS OPEN. THE REASONS FOR THIS MOVE WERE MENTIONED OFTEN BEFORE AND ONE NAME ALWAYS SHOWED UP: PAKISTAN....

"BUT NOW INDIA IS USING AN ARGUMENT THAT FORMERLY HAS A CHARACTERISTIC OF CHINA: THE FIVE RECOGNIZED NUCLEAR POWERS WANT NOTHING BUT TO SAFEGUARD THEIR MONOPOLY.... AFTER THE ALLEGEDLY PENULTIMATE TEST, CHINA ACCEDED TO THE CTBT. INDIA, WHOSE GOVERNMENT KNEW HOW TO WEAR THE WHITE COAT OF PEACE FOR MORE THAN 50 YEARS, IS NOW LETTING THE AIR OUT OF THE BALLOON WHICH CARRIES THE NAME NUCLEAR TEST BAN.' THE REASONS ARE OBVIOUS: FOREIGN POLICY DISTRACTION FROM DOMESTIC PROBLEMS, FEARS TOWARDS THE BIG NEIGHBOR IN THE NORTH AND MAYBE THE ATTEMPT TO GAIN THE LEADERSHIP ROLE OF THE THIRD WORLD."

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UNCLAS SECTION 08 OF 11 BONN 009126

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE;
STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO
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AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL;
USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR
ECPAO, POLAD, CJL-HN, ECJ5-E, ECPA;USSUPPORT ELEMENT
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E. (MIDDLE EAST) ARAB SUMMIT

BIRGIT CERHA NOTES IN AN EDITORIAL IN BUSINESS
NEWSPAPER HANDELSBLATT OF DUESSELDORF UNDER THE HEADLINE:

"PEACE AS A STRATEGIC CHOICE."

"IT IS SUPPOSED TO BE A DEMONSTRATION OF NEW ARAB
SOLIDARITY, WHEN THE LEADERS OF THE ARAB WORLD MEET THIS
SATURDAY FOR THE FIRST TIME IN SIX YEARS IN CAIRO. THE
FACT ALONE THAT THEY DECIDED TO MEET IS AN ACHIEVEMENT IN

ITSELF..... THE ELECTION VICTORY OF LIKUD AND ITS FRONT RUNNER NETANYAHU IN ISRAEL...HAS MADE ALARMINGLY CLEAR TO THEM WHAT ARE THE CONSEQUENCES OF THE DISAGREEMENT IN THE ARAB CAMP....

"SYRIA'S PRESIDENT ASSAD IS THE ONE WHO IS RESPONSIBLE FOR THIS CONFERENCE. HE SUCCEEDED IN FINDING SUPPORT IN EGYPT AND SAUDI ARABIA IN PARTICULAR FOR HIS ARGUMENT THAT THE ARABS SHOULD DEVELOP A NEW STRATEGY. THEY DO NOT WANT TO GIVE UP ALL THEIR RIGHTS, AND THEY DO NOT WANT TO BOW TO AN ISRAELI-AMERICAN STRIVING FOR HEGEMONY. IT IS TRUE THAT THE NEW ISRAELI LEADER HAS CALLED UPON THE SYRIANS, LEBANESE, AND SAUDIS TO RESUME PEACE TALKS...BUT THE SYRIAN STATE CONTROLLED RADIO STATION SAID THAT PEACE TALKS UNDER NETANYAHU'S CONDITIONS WOULD BE AN IMPOSSIBLE AFFAIR.'... NEVERTHELESS, THE ARABS, INCLUDING SYRIA, AGREE THAT THEY WANT TO ABIDE BY THEIR STRATEGIC DECISION' FOR PEACE, BUT IT MUST BE A FAIR' PEACE WHICH IS BASED ON THE PRINCIPLE OF LAND FOR PEACE.' HOWEVER, IT IS TOTALLY UNCLEAR TO WHAT EXTENT THEY WANT TO REACT TO ISRAEL'S OBVIOUS PLAN TO CHANGE THE BASIC RULES FOR A PEACEFUL MIDDLE EAST...."

F. (U.S.) HELMS-BURTON ACT

THE COVER STORY OF THIS WEEK'S BUSINESS WEEKLY WIRTSCHAFTSWOCHE OF DUESSELDORF (6/20) FOCUSES ON U.S. TRADE POLICY. THE COVER PORTRAY'S PRESIDENT CLINTON IN POLICE UNIFORM, WITH THE HEADLINE:

"IRAN, LIBYA, CUBA - CAN THIS MAN TELL US WITH WHOM WE CAN DO BUSINESS? / CLINTON, THE WORLD'S COP."

THE CONTENTS PAGE AND THE ARTICLES ITSELF FEATURE A PICTURE OF THE PRESIDENT HOLDING A SMOKING REVOLVER. THE HEADLINE OVER THE ARTICLE, WRITTEN BY INTERNATIONAL TRADE REPORTER BRIGITTE WETTWER, READS:

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UNCLAS SECTION 09 OF 11 BONN 009126

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE;
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SUBJECT: MEDIA REACTION RUSSIA U.N.-U.S. NUCLEAR MIDDLE
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"PRESIDENT BILL CLINTON READIES FOR A TRADE WAR /
THOSE WHO OPPOSE AMERICAN SANCTIONS WILL BE PUNISHED /
GERMAN JOBS ALSO IN DANGER"

"WORLD COP BILL CLINTON IN ACTION: HE'S TAKING AIM
AT FOREIGN COMPANIES THAT IGNORE AMERICAN SANCTIONS
AGAINST CUBA, IRON OR LIBYA. THE UNITED STATES WANTS TO
USE ITS ECONOMIC POWER TO FORCE FRIENDLY TRADING PARTNERS
SUCH AS GERMANY TO ACCEPT AMERICAN FOREIGN POLICY GOALS.
THOSE WHO DO BUSINESS WITH CUBA, LIBYA OR IRAN MUST SOON
RECKON WITH MASSIVE OBSTRUCTION IN THE UNITED STATES,
WITH THE AIM OF ENSURING THE EXTRATERRITORIAL APPLICATION
OF AMERICAN LAW....

"AN IRAN/LIBYA LAW WOULD HURT THE GERMANS MORE THAN
ANY OTHER COUNTRY, SINCE GERMANY IS IRAN'S LARGEST
TRADING PARTNER AND THE SECOND LARGEST BUYER OF LIBYAN
OIL. EVEN IF THE UNITED STATES DOES NOT DIRECTLY GO
AFTER EVERY COMPANY, THE MEASURES LOOM OVER THE GERMAN
EXPORT INDUSTRY LIKE DAMOCLES' SWORD, SAYS FOREIGN TRADE
EXPERT JAN EGGERT OF THE FEDERAL ASSOCIATION OF GERMAN
INDUSTRY....

"AMERICA HAS RETURNED TO THE INTERNATIONAL STAGE AS
A REGULATORY POWER. BILL CLINTON WANTS TO FORCE ALLIES
TO TOE THE LINE USING ECONOMIC FORCE. THE AMERICANS DO
NOT BELIEVE IN THE CRITICAL DIALOGUE THAT GERMANY, MORE
THAN ANY OTHER COUNTRY, PURSUES IN RELATIONS WITH IRAN
AND LIBYA....

"THAT THE AMERICANS HAVE NO QUALMS ABOUT FORCING
THEIR OWN IDEAS ON ALLIES OUTSIDE U.S. BORDERS WAS
DEMONSTRATED BY RONALD REAGAN AS EARLY AS 1982, WHEN THE
UNITED STATES IMPOSED A PIPELINE EMBARGO ON THE SOVIET
UNION. BUT THE RUTHLESS METHODS ARE NEW: THE
HELMS-BURTON LAW AND THE IRAN/LIBYA LAW ARE NOTHING LESS
THAN INDIRECT TRADE SANCTIONS AGAINST NATIONS THAT ARE
FRIENDS OF THE UNITED STATES.

"G

ERMAN COMPANIES TAKE THE THREATS SERIOUSLY. THE
EFFORTS TO IMPOSE U.S. POLITICAL GOALS ABROAD CANNOT BE
EXPLAINED IN TERMS OF THE U.S. ELECTION CAMPAIGN.
CONGRESS STARTED WORKING ON A DRAFT CUBA LAW TWO YEARS
AGO. THE SHOOTING DOWN OF TWO AMERICAN CIVILIAN PLANES
OFF THE CUBAN COAST THEN PROMPTED CLINTON TO SIGN-OFF ON
THE REACTIONARY AGENDA OF HARD LINER JESSE HELMS....

"IN THE WORDS OF FRANKFURT POLITICAL SCIENTIST
ERNST-OTTO CZEMPIEL, 'EVEN IF THE AMERICANS' GREAT-POWER
ALLURES ARE UNTENABLE IN INTERNATIONAL LAW, THE OTHER
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UNCLAS SECTION 10 OF 11 BONN 009126

USIA

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COUNTRIES HAVE NO EFFECTIVE MEANS TO FIGHT BACK,' SINCE
THE WORLD IS SIMPLY TOO DEPENDENT ON THE ECONOMIC FAVOR
OF THE AMERICAN POWER. THE WTO CANNOT TELL A SUPERPOWER
LIKE THE UNITED STATES WHEN IT IS GOING TO FAR. THE
SANCTIONS THAT THE WTO CAN IMPOSE TO COUNTER VIOLATIONS
ARE USELESS AGAINST A WORLD POWER LIKE THE UNITED STATES,
WHICH...STILL CONTRIBUTES A 27 PERCENT SHARE TO THE
GLOBAL ECONOMY....

"THE IMPERIAL BEHAVIOR OF THE UNITED STATES FOLLOWS
A LONG PERIOD OF INACTIVITY IN THE FIELD OF FOREIGN
POLICY. AFTER THE COLLAPSE OF THE SOVIET EMPIRE, THE
AMERICANS, LACKING ORIENTATION, TURNED INWARDS.... THUS
CLINTON'S PLATFORM FOR PRESIDENT HAS HIS PROMISE TO BE A
'TRULY NATIONAL' PRESIDENT... AFTER THE FAILURE OF HIS
HEALTH REFORM BILL...CLINTON DISCOVERED FOREIGN POLICY
AND INITIATED THE REBIRTH OF AMERICA IN ITS ROLE AS THE
LAST GLOBAL POWER - NOT WITHOUT SUCCESS.... CLINTON
SUPERVISED THE DAYTON AGREEMENT, HE DEFUSED THE NORTH
KOREA CRISIS, AND SHOWED CHINA ITS LIMITS VIS-A-VIS
TAIWAN...

"BILL CLINTON HAS TURNED HIS BACK ON THE
MULTILATERAL COOPERATION THAT CHARACTERIZED HIS FIRST
YEARS IN OFFICE. AFTER PUSHING THE WTO LEGISLATION

THROUGH CONGRESS AND AFTER CREATING NAFTA, HE NOW INCREASINGLY RELIES ON BILATERAL NEGOTIATIONS.... REGARDLESS OF WHETHER IT'S A QUESTION OF THE PURITY OF GASOLINE OR COTTON FROM LATIN AMERICA -- WHEN IN DOUBT, AMERICA DECIDES IN FAVOR OF ITS OWN INDUSTRY AND AGAINST FREE WORLD TRADE.

"THIS TREND IS A DISASTER FOR THE WORLD COMMUNITY. AFTER WW II, IT HAS THE AMERICANS WHO JUMP-STARTED FREE WORLD TRADE BY GENEROUSLY AND UNILATERALLY DECLARING ITS MARKETS OPEN TO THE REST OF THE WORLD. THOSE TIMES ARE OVER. CLINTON'S NEW TRADE REPRESENTATIVE, CHARLENE BARSHEFSKY, HAS A FAVORITE SAYING: 'WE DON'T EXPECT MATHEMATICAL EQUALITY, BUT WE DO EXPECT THAT IT WILL BE CLOSE.'

"NEITHER SHE NOR PREDECESSOR MICKEY KANTOR THOUGHT EQUALITY HAS ANYTHING LIKE CLOSE AT THE PAST YEAR'S WTO NEGOTIATIONS. THUS ALL POST-URUGUAY NEGOTIATIONS COLLAPSED ONE BY ONE BECAUSE OF OPPOSITION BY THE UNITED STATES. AT THE TALKS ON LIBERALIZING THE GLOBAL MARKET IN FINANCIAL SERVICES, 76 NATIONS OPENED THEIR BORDERS FROM AUGUST ON -- BUT NOT THE UNITED STATES. THE TELECOMMUNICATIONS TALKS HAD TO BE POSTPONED AT THE LAST MOMENT, AND, AT THE MARITIME SERVICES TALKS, THE UNITED
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UNCLAS SECTION 11 OF 11 BONN 009126

USIA

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STATES WITHDREW ITS OFFER LONG BEFORE THE NEGOTIATIONS WERE SCHEDULED TO END.

"THE OBSTRUCTIONIST POLICY OF THE UNITED STATES
THREATENS TO CONDEMN THE WTO TO INSIGNIFICANCE ONLY A FEW
YEARS AFTER IT HAS FORMED. FOR, IN THE LONG TERM, THE
WTO HAS NO FUTURE WITHOUT THE SUPPORT OF THE UNITED
STATES. 'THE LIBERALIZATION OF GLOBAL TRADE WILL HAPPEN
ONLY UNDER AMERICAN CONDITIONS,' SAYS ERNST-OTTO
CZEMPIEL. THE ONLY ALTERNATIVE FOR THE EUROPEANS,
ACCORDING TO CZEMPIEL, IS TO SPEAK WITH ONE VOICE ON
FOREIGN AND SECURITY POLICY. 'THERE'S ONE THING THAT
AMERICANS HAVE ALWAYS UNDERSTOOD -- FORCE DEMANDS A
FORCEFUL RESPONSE.."

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INFO: RUEHFR/AMEMBASSY PARIS 5721

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RUEKJCS/DIA WASHDC

RUEBBEA/DOT WASHDC

RHDL/CNE/CINCUSNAVEUR LONDON UK//019//

RUDOVFA/3AF RAF MILDENHALL UK//PA//

RUCNDT/USMISSION USUN NEW YORK 9672

RUEHBL/AMCONSUL BELFAST 8964

RUEHUB/USINT HAVANA 1247

RUEHNO/USMISSION USNATO 8042

RUEHVEN/USMISSION USVIENNA 9454

RUEHRO/AMEMBASSY ROME 5957

RUEHDL/AMEMBASSY DUBLIN 4709

RUEHBS/AMEMBASSY BRUSSELS 4533

RHEHAAA/WHITEHOUSE WASHDC

RUEHOL/AMEMBASSY BONN 0835

RUEHC/SECSTATE WASHDC 4242

RUEHMO/AMEMBASSY MOSCOW 6294

RUEAIIA/CIA WASHDC

RUEHDC/USDOC WASHDC

RUEATRS/DEPT OF TREASURY WASHDC

SUBJ: MEDIA REACTION REPORT, LONDON, MONDAY JULY 8 1996

BROADCAST MEDIA

NORTHERN IRELAND

TEXT:

UNCLAS SECTION 01 OF 06 LONDON 008160

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EUR/WE; EUR/NE; IO/CU; NEA/P; EB/TT; INR/P; PM; S/IR;

CSD ISA FOR ILN; FOR NEA; OASD/PA;

USDOC PASS USTR/PA

WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;

USMISSION USNATO FOR USIS

PARIS FOR USIS; UNESCO; OECD;

VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

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BROADCAST MEDIA
NORTHERN IRELAND

HEADLINES THIS MORNING WERE DOMINATED BY THE CONFRONTATION BETWEEN ORANGE ORDER MARCHERS AND SECURITY FORCES IN PORTADOWN, ULSTER, WHICH HAD CONTINUED THROUGH THE NIGHT.

ON BBC RADIO'S NEWS BULLETIN AT 9.00 THIS MORNING, IRELAND CORRESPONDENT MARK DEVENPORT SAID FROM THE SCENE:

"AT ITS HEIGHT OVERNIGHT, THE CROWD WAS SEVERAL THOUSAND STRONG, AND ONE GROUP OF PROTESTORS MANAGED TO PULL AWAY A SECTION OF THE BARBED WIRE FENCE SEPARATING THEM FROM THE SECURITY FORCES. SOLDIERS RESTORED THE FENCE, AND DURING SOME ANGRY CONFRONTATIONS THE POLICE FIRED SEVERAL PLASTIC BULLETS. THIS MORNING, THE STAND-OFF APPEARS SET TO DRAG ON, AND THAT MEANS FURTHER DISRUPTION ELSEWHERE IN NORTHERN IRELAND IS VERY MUCH ON THE CARDS."

A. TODAY'S MAJOR NEWS STORIES

1. RUSSIA
2. HELMS-BURTON
3. CIVIL AVIATION : TRANSATLANTIC ISSUES

B. SUMMARY

1. RUSSIA

TWO EDITORIALS IN YESTERDAY'S SUNDAY PAPERS, BOTH EXPRESSING RELIEF THAT YELTSIN HAS WON THE PRESIDENTIAL ELECTIONS, BUT AT THE SAME TIME WORRIES THAT THE FUTURE WILL BE UNCERTAIN. BOTH PICK OUT TWO MAIN CONCERNS: ALEXANDER LEBED, AND THE STATE OF YELTSIN'S HEALTH. SEE TEXTS BELOW.

2. HELMS-BURTON

THE INDEPENDENT FINANCIAL TIMES LOOKS AT THE ISSUES LIKELY TO COME TO A HEAD NEXT WEEK WHEN TITLE III OF HELMS-BURTON COMES INTO FORCE. SEE TEXT BELOW.

3. CIVIL AVIATION : TRANSATLANTIC ISSUES

THE INDEPENDENT FINANCIAL TIMES TODAY HAS AN EDITORIAL WHICH IS HIGHLY CRITICAL OF CIVIL AVIATION POLICY ON BOTH SIDES OF THE ATLANTIC, AND CALLS FOR THE AUTHORITIES ON BOTH SIDES OF THE ATLANTIC TO 'RE-THINK THEIR APPROACH'. SEE TEXT BELOW.

C. TEXT

1. RUSSIA

"BEWARE LEBED THE BEAR"

YESTERDAY'S CONSERVATIVE SUNDAY TIMES EDITORIALIZED (7/7):
UNCLAS SECTION 02 OF 06 LONDON 008160

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VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, MONDAY JULY 8 1996

"WESTERN GOVERNMENTS HAVE GREETED BORIS YELTSIN'S
RE-ELECTION AS RUSSIAN PRESIDENT WITH A COLLECTIVE SIGH
OF RELIEF. THE NIGHTMARE OF COMMUNISTS HOISTING THE
HAMMER AND SICKLE OVER THE KREMLIN, REVERSING MARKET
REFORMS, RESTORING THE SOVIET UNION AND EVEN MARCHING
INTO UKRAINE HAS PASSED -- FOR THE MOMENT. INSTEAD,
THERE IS CAUSE FOR SATISFACTION AT THE SPECTACLE OF
RUSSIANS VOTING FREELY IN A CONTEST UNTHINKABLE ONLY A
DECADE AGO WHEN MIKHAIL GORBACHEV BEGAN LOOSENING THE
SHACKLES OF COMMUNISM.

"YET WHILE REJOICING IN AN ESCAPE FROM COMMUNISM, THE
WEST CANNOT AFFORD TO IGNORE THE RISK THAT THE RUSSIAN
BEAR IS BECOMING ENSLAVED TO NATIONALISM. THE DEAL THAT
A PRAGMATIC PRESIDENT YELTSIN WAS FORCED TO NEGOTIATE
WITH ALEXANDER LEBED, THE FORMER GENERAL PROMOTED TO
NATIONAL SECURITY CHIEF IN EXCHANGE FOR HIS SUPPORT IN
THE DECISIVE SECOND ROUND OF VOTING, GIVES ENCOURAGEMENT
TO RUSSIAN NATIONALISTS WHO BEMOAN THE DECLINE OF THE
EMPIRE AS STRIDENTLY AS THE COMMUNISTS.

"LEBED, WHO HAS NEVER SET FOOT IN THE WEST AND IS
EXTREMELY SUSPICIOUS OF IT, IS A MORE CONVINCING
FIGUREHEAD OF NATIONALISM THAN THE CLOWNING VLADIMIR
ZHIRINOVSKY. ... VIKTOR CHERNOMYRDIN, THE PRIME
MINISTER, WHO IS FORMING A NEW ADMINISTRATION, IS
BELIEVED TO HAVE WARNED LEBED NOT TO TRY TO INTERFERE IN
THE RUNNING OF THE ECONOMY. ... YET THE PRIME MINISTER
CANNOT AFFORD TO IGNORE LEBED, WHO WILL FIERCELY RESIST
ANY ATTEMPT TO KEEP HIS FINGERS OFF THE LEVERS OF POWER,

PERHAPS EVEN CALLING ON WIDESPREAD SUPPORT AMONG THE ARMED FORCES TO GIVE MILITARY TEETH TO HIS DEMANDS FOR MORE SAY IN GOVERNMENT. LEBED WANTS TO BE GIVEN THE POST OF VICE-PRESIDENT, ONCE HELD DISASTROUSLY BY ANOTHER MILITARY MAN, ALEXANDER RUTSKOI, WHO JOINED A COUP AGAINST YELTSIN RATHER THAN SURRENDER POWER. THE PROSPECT OF MORE ARMED CONFLICT IN MOSCOW CANNOT BE DISMISSED.

"SO FAR YELTSIN HAS RESISTED LEBED'S DEMAND TO BE MADE VICE-PRESIDENT. HOWEVER, LEBED IS, LIKE ANY PRESIDENTIAL RUNNING-MATE, ONLY A HEARTBEAT AWAY FROM ABSOLUTE POWER. AT A TIME WHEN THE PRESIDENT IS VISIBLY AILING, THAT IS A DANGEROUS PROSPECT FOR US ALL."

"YELTSIN'S MISSION IS HARD, BUT POSSIBLE"

THE LIBERAL SUNDAY OBSERVER EDITORIALIZED (7/7):
"PRESIDENT YELTSIN MAY BE A SICK AND EXHAUSTED MAN -- A LIVING CORPSE AS ONE OPPOSITION POLITICIAN DESCRIBED HIM -- BUT HE HAS SHOWN HIMSELF ONCE AGAIN TO BE A MASTER OF THE BLACK ARTS OF POLITICS. IF RUSSIA EVER DOES COMPLETE THE TRANSITION FROM COMMUNISM TO SOME FORM OF CAPITALISM AND DEMOCRACY IT WILL OWE A LOT TO THIS EXTRAORDINARILY FLAWED BUT BRAVE POLITICIAN.

"HE HAS, AGAINST ALL THE ODDS, BOBBED AND WEAVED THROUGH FIVE TUMULTUOUS YEARS TO SUSTAIN THE ROLL-BACK FROM UNCLAS SECTION 03 OF 06 LONDON 008160

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VIENNA PASS USDEL-CSCE;

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COMMUNISM. HE WAS COURAGEOUS ENOUGH TO HOLD THE ELECTION -- WHICH DESPITE TV BIAS, WAS REMARKABLY FREE AND FAIR. AND HIS VICTORY MEANS THE VOICES OF OLD-STYLE COMMUNISM ARE STILLED FOR EVER.

"BUT YELTSIN IS TOO CANNY TO CROW TOO MUCH. THE RUSSIANS VOTED FOR HIM MORE WITH GRIM DETERMINATION THAN ENTHUSIASM; AFTER ALL, HE STARTED A CIVIL WAR IN CHECHNYA, THE CAPITALISM THAT HAS DEVELOPED -- A MIX OF CRONEYISM, SPIVVERY AND THE MAFIA -- IS UNLOVED AND

INEFFICIENT, AND THE GOVERNMENT HAS FAILED TO PAY PENSIONS AND SALARIES. CONTEMPORARY RUSSIA IS NOT VERY PRETTY, AND LIFE FOR THE MAJORITY IS GRINDINGLY AWFUL.

"FEAR RATHER THAN HOPE HAS KEPT HIM IN THE KREMLIN: A FEAR OF MORE UPHEAVAL, THE HABIT OF HANGING ON TO A LEADER UNTIL HE EXITS FROM THE KREMLIN FEET FIRST AND A BELATED RECOGNITION ON THE PART OF A SLIM MAJORITY THAN LIFE COULD BE WORSE -- UNDER THE COMMUNISTS. ...

"YELTSIN IS ONCE AGAIN PLAYING ALL SIDES AGAINST EACH OTHER, WHILE HE TRIES TO KEEP REFORM GOING. HE MUST TRUST HIS PRIME MINISTER VIKTOR CHERNOMYRDIN TO CHOOSE A CABINET WHICH WILL WORK -- NOT A DISCUSSION CLUB RIVEN BY ARGUMENT. IF HE MANAGES THAT, THERE IS HARD AND BORING WORK AHEAD FOR A MAN WHO GOES INTO A DANGEROUS DECLINE UNLESS FACED WITH A SUPERHUMAN CHALLENGE. HE AND HIS GOVERNMENT WILL NEED TO WORK WITH THE OPPOSITION-DOMINATED PARLIAMENT. WITH DARK WARNINGS THAT THE DEFICIT WILL SOON BE GROWING EXPLOSIVELY, A CONSENSUS OVER TAX INCREASES AND SPENDING CUTS IS IMPERATIVE. "HIS UNPREDICTABLE HEALTH ALSO MEANS THAT HE NEEDS TO INFORMALLY NOMINATE A LIKELY SUCCESSOR. DOUBTS OVER THE CHOICE COULD LEAD TO INERTIA OR ANOTHER SKIRMISH.

"BY APPOINTING LEBED, HE HAS DECLARED HIMSELF PREPARED TO ACT AGAINST THE CORRUPT BRAND OF CAPITALISM HE HAS ALLOWED TO FLOURISH. THERE IS MUCH TO BE DONE; SACKING HIS CHIEF BODYGUARD, AND A DEPUTY PRIME MINISTER IS NO MORE THAN A GOOD START. HE WILL HAVE TO THINK HARD ABOUT WHO HE APPOINTS TO THE SECURITY MINISTRIES -- WITH LEBED PUSHING FOR HIS FAVORED SON.

"YET TOO MUCH PESSIMISM IS WRONG. THE RUSSIAN ECONOMY IS SHOWING SIGNS OF LIFE. THERE HAS BEEN AN ELECTION. YELTSIN MAY YET PULL IT OFF -- IF HE LIVES."

2. HELMS-BURTON

"THE LONG ARM OF AMERICAN LAW"

THE INDEPENDENT FINANCIAL TIMES COMMENTED THIS MORNING (7/8):

"PRESIDENT BILL CLINTON MUST IN THE COMING WEEK MAKE A DECISION THAT WILL REVERBERATE AROUND THE WORLD. HE HAS TO DECIDE WHETHER TO SUSPEND PART OF A CONTROVERSIAL LAW AIMED AT PUNISHING THE CUBAN GOVERNMENT OF PRESIDENT FIDEL CASTRO AND AT MAKING LIFE DIFFICULT FOR FOREIGN COMPANIES DOING BUSINESS IN CUBA.

UNCLAS SECTION 04 OF 06 LONDON 008160

USIA

PERISHABLE INFORMATION - DO NOT SERVICE

USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL LSECRET; B/TV/WP;

STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP; EUR/WE; EUR/NE; IO/CU; NEA/P; EB/TT; INR/P; PM; S/IR;

CSD ISA FOR ILN; FOR NEA; OASD/PA;
USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, MONDAY JULY 8 1996

"THE LAW, THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT -m BETTER KNOWN BY THE NAMES OF ITS REPUBLICAN SPONSORS SEN JESSE HELMS AND REPRESENTATIVE DAN BURTON -- HAS PROVOKED THE WRATH OF U.S. TRADING PARTNERS.

"IT HAS HEIGHTENED THE CONTRAST BETWEEN U.S. POLICY TOWARDS CUBA, BUILT AROUND A 35-YEAR-OLD EMBARGO, AND THAT OF MOST OTHER GOVERNMENTS, WHICH FAVOR ENGAGEMENT WITH MR CASTRO'S ONE-PARTY STATE AS THE BEST WAY TO ENCOURAGE CHANGE.

"YET THE REAL DISPUTE IS ONLY PARTLY ABOUT CUBA. MOST GOVERNMENTS BELIEVE HELMS-BURTON APPLIES U.S. LAW UNJUSTIFIABLY TO THE ACTIONS OF FRIENDLY SOVEREIGN STATES. THEY ARGUE IT BREACHES U.S. COMMITMENTS TO INTERNATIONAL TRADE AGREEMENTS. AND THEY SAY IT SETS AN ALARMING PRECEDENT FOR SIMILAR ACTIONS, SUCH AS LEGISLATION NOW BEING DEBATED IN CONGRESS TO PUNISH NON-U.S. COMPANIES OPERATING IN IRAN AND LIBYA. ...

"IF NOT WAIVED, THE SO-CALLED TITLE III (OF THE LAW) PROMISES A FLOOD OF LAWSUITS AGAINST FOREIGN COMPANIES AND THE CUBAN GOVERNMENT IN U.S. COURTS.

"MR CLINTON IS COMING UNDER PRESSURE FROM FOREIGN MULTINATIONALS AND GOVERNMENTS TO WAIVE TITLE III, WHICH WILL COME INTO EFFECT, UNLESS SUSPENDED, BY JULY 15. THEIR IRE IS COMPOUNDED BY OTHER ELEMENTS OF THE LAW, ONE OF WHICH BANS EXECUTIVES OF COMPANIES OPERATING IN CUBA FROM VISITING THE U.S.

"PRESSURE ON THE PRESIDENT IS BUILDING FROM U.S. COMPANIES WORRIED THAT IT MAY BACKFIRE ON THEM. GOVERNMENTS AROUND THE WORLD ARE PREPARING ANTIDOTES TO HELMS-BURTON TO PROTECT THEIR OWN COMPANIES. THESE WOULD, AMONG OTHER THINGS, ALLOW COUNTERSUITS AGAINST U.S. NATIONALS SUING THEM UNDER THE ACT. YET THE CONCERN OF CORPORATE AMERICA GOES BEYOND THE FEAR OF RETALIATION. ...

"THE BIG ISSUE FOR MR CLINTON'S STRATEGISTS WAS TO DENY THE REPUBLICANS THE ABILITY TO ACCUSE THE PRESIDENT OF WEAKNESS IN CONFRONTING MR CASTRO. HIS VULNERABILITY TO ATTACKS FROM MR BOB DOLE, HIS REPUBLICAN RIVAL IN THIS YEAR'S ELECTION, IS WHY MANY IN WASHINGTON DOUBT MR

CLINTON WILL WAIVE TITLE III ON JULY 15. ...

"(SOME) ARGUE THAT KEEPING TITLE III IN RESERVE WOULD RETAIN SOME U.S. INFLUENCE OVER CUBAN POLICY. ... WITH AN ELECTION TO FIGHT, HOWEVER, MR CLINTON'S PRIORITY IS UNLIKELY TO BE CUBA. HE WILL BE BALANCING ELECTORAL CONSIDERATIONS WITH THE LIKELY INTERNATIONAL REPERCUSSIONS IF HE ALLOWED CLAIMS UNDER HELMS-BURTON TO REACH THE COURTS."

3. CIVIL AVIATION : TRANSATLANTIC ISSUES

UNCLAS SECTION 05 OF 06 LONDON 008160

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
LSECREST; B/TV/WP;
STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;
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CSD ISA FOR ILN; FOR NEA; OASD/PA;
USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A.

SUBJECT: MEDIA REACTION REPORT, LONDON, MONDAY JULY 8 1996

"SQUALLS OVER THE ATLANTIC"

THE INDEPENDENT FINANCIAL TIMES EDITORIALIZED (7/8):

"THE EUROPEAN COMMISSION'S COMPETITION INVESTIGATION INTO TRANSATLANTIC AIRLINE ALLIANCES IS A CLEAR ACKNOWLEDGEMENT OF THE SCALE OF CHANGE UNDER WAY IN THE INDUSTRY. HOWEVER, IT RISKS CONFUSING AVIATION POLICY FURTHER, WHEN FAIR AND EFFECTIVE INTERNATIONAL COMPETITION DEMANDS GREATER CLARITY. THAT CAN BE ACHIEVED ONLY IF AUTHORITIES ON BOTH SIDES OF THE ATLANTIC RE-THINK THEIR APPROACH.

"THOUGH THE PROBE WAS OSTENSIBLY TRIGGERED BY THE PROPOSED LINK-UP BETWEEN BRITISH AIRWAYS AND AMERICAN AIRLINES, BRUSSELS SAYS IT NEEDS TO EXAMINE ALL THE ALLIANCES BECAUSE OF THEIR CUMULATIVE IMPACT. THAT ARGUMENT MAY HAVE ECONOMIC MERIT. BUT IT IS LEGALLY DUBIOUS. BRUSSELS VETTED NONE OF THE OTHER DEALS WHEN THEY WERE MADE. TO DO SO NOW, BECAUSE RIVALS HAVE SINCE LINKED UP, SMACKS OF RETROSPECTIVE JUSTICE. ...

"BRUSSELS MAY ALSO HOPE TO INCREASE ITS BARGAINING POWER IN PLANNED AVIATION TALKS WITH THE U.S. WASHINGTON HAS MADE ANTI-TRUST EXEMPTION FOR TRANSATLANTIC ALLIANCES CONDITIONAL ON EUROPEAN COUNTRIES IMPROVING ACCESS FOR

U.S. CARRIERS. BUT FOR THE EU ALSO TO ADOPT SUCH STRONG-ARM METHODS WOULD MAKE BAD POLICY WORSE. AVIATION REQUIRES FIRM AND IMPARTIAL COMPETITION RULES. SUBORNING THEM TO NATIONAL TRADE GOALS DEVALUES THEIR EFFECTIVENESS. ...

"IF THE UNITED STATES GENUINELY WANTS LIBERALIZATION OF WORLD MARKETS, THIS IS NO WAY TO ACHIEVE IT. ITS 'OPEN SKIES' DEALS AMOUNT TO USING GOVERNMENT MUSCLE TO WIN FAVORS FOR U.S. CARRIERS. SUCH MERCANTILISM DOES NOT ADVANCE REAL FREE TRADE BUT PERPETRATES THE STATE INTERVENTION, NATIONALISTIC ATTITUDES AND BILATERAL ARRANGEMENTS WHICH HAVE PREVENTED AVIATION DEVELOPING INTO A TRULY GLOBAL INDUSTRY.

"SUCH AN APPROACH ALSO RISKS TURNING RELATIONS WITH BRUSSELS INTO A CONFRONTATIONAL TRIAL OF STRENGTH. THAT WOULD BE COUNTER-PRODUCTIVE AND INAPPROPRIATE WHEN THE TWO SIDES ARE WORKING TOGETHER TO LOWER TRANSATLANTIC TRADE BARRIERS IN OTHER SECTORS. THE SENSIBLE COURSE IS TO EXTEND THEIR CO-OPERATION TO AVIATION.

"THE EU SHOULD PROPOSE OPENING ITS SINGLE AVIATION MARKET FULLY TO U.S. CARRIERS ONCE IT COMES INTO BEING NEXT YEAR, IN RETURN FOR COMPARABLE ACCESS TO U.S. DOMESTIC ROUTES. THAT WOULD ENSURE FAIRER AND MORE OPEN COMPETITION THAN THE PATCHWORK OF BILATERAL DEALS SEWN UP BY THE U.S. IN EUROPE. THE TWO SIDES SHOULD ABOLISH THEIR ANACHRONISTIC RESTRICTIONS ON FOREIGN OWNERSHIP OF AIRLINES, WHICH HAVE MERELY THWARTED INDUSTRY RATIONALIZATION. THEY SHOULD ALSO AIM TO ALIGN THEIR COMPETITION POLICIES TO KEEP MARKETS OPEN, RATHER THAN TO PROMOTE THEIR AIRLINES' INTERESTS. FINALLY, THEY SHOULD SEEK THE NEGOTIATION OF MULTILATERAL AVIATION RULES IN UNCLAS SECTION 06 OF 06 LONDON 008160

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
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STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;
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USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, MONDAY JULY 8 1996

THE WTO.

"THOSE STEPS WOULD REQUIRE RADICALLY CHANGES ATTITUDES AMONG GOVERNMENTS, LONG USED TO TREATING EVEN PRIVATIZED FLAG CARRIERS AS EXTENSIONS OF THE STATE. BUT THEY NEED

TO RECOGNIZE THAT SUCH PRACTICES ARE TO BLAME FOR THE PROBLEMS AFFLICTING THE INDUSTRY TODAY. THE STARTING POINT FOR ANY SOLUTION MUST BE TO GET GOVERNMENTS AND BUREAUCRATS OUT OF THE AIRLINE BUSINESS, NOT FURTHER IN." O'BRIEN

SECT: SECTION: 01 OF 06
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TO: RUEHC/SECSTATE WASHDC IMMEDIATE 9326
INFO: RUEHIA/USIA WASHDC IMMEDIATE 3764
SUBJ: 'IL SOLE' ALLEGES PRODI, CIAMPI MAY BE DENIED
VISAS UNDER HELMS/BURTON

TEXT:
UNCLAS SECTION 01 OF 02 ROME 007278

USIA

SECSTATE PASS TO NSC/DORBINS, ARA/DAVIDOW
USIA FOR R/MR, WEU,AR

E.O. 12958: N/A
TAGS: ETTC, EINV, ETRD, CU, PREL, CVIS, IT
SUBJECT: 'IL SOLE' ALLEGES PRODI, CIAMPI MAY BE DENIED
VISAS UNDER HELMS/BURTON

1. SUMMARY: THE ITALIAN PRESS HAS INCREASED ITS COVERAGE OF THE HELMS-BURTON CUBAN SANCTIONS LAW, WITH ARTICLES OVER THE WEEKEND FOCUSING ON TITLE IV IMPLEMENTATION AND THE PRESIDENT'S IMMINENT DECISION ON TITLE III. FOLLOWING IS THE FULL TEXT OF A FRONT PAGE ARTICLE IN THE JULY 14 "IL SOLE/24 ORE," ITALY'S EQUIVALENT OF THE WALL STREET JOURNAL. WHILE LESS THAN TOTALLY ACCURATE, IT CONVEYS THE INCREASINGLY VOCAL SENSE OF DISMAY AND OPPOSITION TO THE LAW HERE IN ITALY. END SUMMARY.

2. TITLE: "USA: THE DOOR CLOSED TO CIAMPI AS WELL?"
SUBTITLES: "A DIPLOMATIC INCIDENT EXPLODES OVER THE STET EMBARGO"
"A VISA WILL BE DENIED TO THE MINISTER AND PERHAPS TO PRODI"

3. (BEGIN TEXT) THE TEMPERATURE OF RELATIONS BETWEEN THE U.S. AND EUROPE IS DOOMED TO GO UP NEXT WEEK, WITH THE RISK OF AN OPENING OF A REAL TRADE WAR. EVEN IF THE U.S. PRESIDENT SHOULD DECIDE TUESDAY TO POSTPONE IMPLEMENTATION OF TITLE III OF THE HELMS-BURTON ACT FOR SIX MONTHS, HE CAN DO NOTHING TO DELAY THE IMPACT OF TITLE IV, THE ONE PROVIDING FOR THE SUSPENSION OF U.S. ENTRY VISAS TO THE TOP MANAGEMENT AND OWNERS OF COMPANIES

CONSIDERED GUILTY OF HAVING ACQUIRED CUBAN GOODS NATIONALIZED BY THE CASTRO REGIME AND ORIGINALLY CONTROLLED BY AMERICAN CITIZENS.

4. A WHITE HOUSE SOURCE TOLD OUR PAPER: 'I AM AFRAID THAT, NO MATTER HOW THINGS GO, OUR EUROPEAN ALLIES WILL NOT BE SATISFIED. THERE ARE UNDOUBTEDLY A FEW CONTRADICTORY ASPECTS: YOUR PRIME MINISTER OR TREASURY MINISTER MAY BE TREATED THE SAME WAY WE TREAT CUBAN PRESIDENT FIDEL CASTRO, TO WHOM A SPECIAL ENTRY VISA TO THE UNITED STATES IS GRANTED. AND BELIEVE ME, THIS ASPECT IS MUCH MORE EMBARRASSING FOR US THAN IT MAY BE FOR YOUR COUNTRY.'

5. ACCORDING TO RUMORS AT THE STATE DEPARTMENT, THE OFFICIAL LETTER OF NOTIFICATION TO STET GIVING IT A 45-60 DAY PERIOD OF TIME TO HALT ITS INDIRECT PARTICIPATION IN THE CUBAN TELEPHONE COMPANY WILL BE MAILED TOMORROW. STET, WHICH IS LIKELY TO BE PRIVATIZED IN THE FALL, IS STILL OWNED IN LARGE PART BY THE ITALIAN GOVERNMENT, AND AT THE WHITE HOUSE THERE IS NO DOUBT ABOUT IT: ACCORDING TO THE HELMS-BURTON ACT, THE STATE DEPARTMENT WILL BE FORCED TO DENY ENTRY VISAS CERTAINLY TO TREASURY MINISTER CIAMPI, BUT POSSIBLY ALSO TO PRIME MINISTER PRODI, AS THE FORMAL TITLEHOLDERS OF OWNERSHIP OF THE ITALIAN TELEPHONE COMPANY. VISAS WILL ALSO BE DENIED TO THE WIVES AND MINOR CHILDREN OF THE OWNERS AND TOP MANAGERS, INCLUDING THE BOARD OF DIRECTORS, OF THE COMPANIES INVOLVED. THE WHITE HOUSE WILL BE ABLE TO AVOID THIS EMBARRASSING SITUATION BY GRANTING SPECIAL DIPLOMATIC VISAS TO MEMBERS OF THE ITALIAN GOVERNMENT, A DECISION WHICH, IN ANY CASE, WILL HAVE TO BE AGREED UPON WITH THE ROME GOVERNMENT.

6. ACCORDING TO REPORTS YESTERDAY, THE NUMBER OF FIRMS UNDER FIRE BY THE HELMS-BURTON ACT MAY BE DESTINED TO GROW. SO FAR, ONLY THREE COMPANIES HAVE BEEN ACCUSED: SHERRIT, A CANADIAN MINING COMPANY, THE MEXICAN COMPANY DOMOS AND STET, BUT THE NAMES OF FRENCH, PORTUGUESE, SPANISH AND GERMAN FIRMS ARE ALREADY CIRCULATING.

7. ACCORDING TO THE HELMS BURTON ACT, APPROVED BY THE U.S. CONGRESS IN ORDER TO ISOLATE ECONOMICALLY THE CASTRO REGIME AFTER THE DOWNING OF A TOURIST PLANE CARRYING AMERICAN CITIZENS, CLINTON MUST NOTIFY CONGRESS FIFTEEN DAYS BEFORE THE IMPLEMENTATION OF THE LAW, SCHEDULED FOR AUGUST 1ST, OF HIS DECISION REGARDING TITLE III.

THE KEY

DATE FOR THE PRESIDENT IS THEREFORE MIDNIGHT JULY 16. AND CLINTON DEVOTED HIS ATTENTION ALMOST EXCLUSIVELY TO THIS ISSUE DURING THE WEEKEND AT CAMP DAVID. TITLE III OF THE HELMS-BURTON ACT AUTHORIZES AMERICAN CITIZENS TO SUE IN U.S. COURTS THOSE COMPANIES WHICH, IN THE PAST, HAVE ACQUIRED PROPERTY NATIONALIZED FROM AMERICANS. IN THIS CASE, THE STATE DEPARTMENT HAS PUT TOGETHER A LIST OF 5,911 COMPANIES OR PRIVATE U.S. CITIZENS WHOSE PROPERTIES HAVE BEEN NATIONALIZED BY THE CUBAN REGIME. THE HISTORIC VALUE OF THOSE PROPERTIES IS ESTIMATED AT 1.8 BILLION DOLLARS; THEIR CURRENT VALUE, INCLUDING INTEREST, IS ESTIMATED AT 6 BILLION DOLLARS. THIS MEANS,

FOR EXAMPLE, THAT ITT (ORIGINALLY CONTROLLING THE CUBAN TELEPHONE COMPANY, WHICH HAS NOW PASSED TO DOMOS AND STET) COULD SUE STET ON AMERICAN TERRITORY AND ASK FOR THE CONFISCATION OF ALL THE LATTER'S AMERICAN ASSETS AS AN ADVANCE ON COMPENSATION FOR DAMAGES.

8. THE WHITE HOUSE SOURCE ALSO SAID THAT 'IT IS UNCLAS SECTION 02 OF 02 ROME 007278

USIA

SECSTATE PASS TO NSC/DORBINS, ARA/DAVIDOW
USIA FOR R/MR, WEU,AR

E.O. 12958: N/A

TAGS: ETTC, EINV, ETRD, CU, PREL, CVIS, IT
SUBJECT: 'IL SOLE' ALLEGES PRODI, CIAMPI MAY BE DENIED
VISAS UNDER HELMS/BURTON

DIFFICULT TO PREDICT THE DECISION OF THE PRESIDENT ON TITLE III: THE FACT IS THAT, IF THE PRESIDENT DECIDES TO POSTPONE IMPLEMENTATION OF THAT CLAUSE, HE WILL DISPLEASE ONE OF THE MOST IMPORTANT GROUPS OF VOTERS IN AMERICA, THAT OF FLORIDA, SOMETHING NOT TO BE UNDERESTIMATED IN VIEW OF THE UPCOMING PRESIDENTIAL ELECTIONS.' CONGRESSMAN DAN BURTON, REPUBLICAN FROM INDIANA, AND SPONSOR WITH SENATOR JESSE HELMS OF ONE OF THE MOST UNFORTUNATE LAWS EVER PASSED BY THE U.S. CONGRESS, DECLARED THAT 'THE CREDIBILITY OF THE ADMINISTRATION IS AT STAKE. TITLE III IS A KEY TITLE FOR THE IMPLEMENTATION OF THE LAW.' THERE IS, HOWEVER, A GOOD CHANCE THAT THE PRESIDENT MAY DECIDE TO POSTPONE A DECISION NOTWITHSTANDING THE INTERNAL PRESSURES: THE EUROPEANS, IN FACT, MAY INTERPRET A DECISION AGAINST TITLE III AS A GESTURE OF CONCILIATION AND GOOD WILL. THE FACT REMAINS THAT PROBLEMS WILL REMAINS ON A PRACTICAL LEVEL, REGARDING VISAS FOR OFFICIALS OF THE ITALIAN GOVERNMENT AND STET. THE LATTER MAY EVEN FACE OBSTACLES IN ITS TIMETABLE TOWARDS PRIVATIZATION. AMERICAN MUTUAL FUNDS, IN FACT, ARE GENERALLY AMONG THE MOST IMPORTANT SUBSCRIBERS OF MAJOR STATE PRIVATIZATIONS.

9. ON THE OTHER HAND, A FEW OF THEM ARE ALREADY SHAREHOLDERS OF THE ITALIAN TELECOMMUNICATIONS GIANT AND THEY COULD BE ENCOURAGED TO SELL, OR AT LEAST NOT TO INCREASE, THEIR QUOTA OF SHARES. THE MORE TIME PASSES, THEN, THE MORE THE ISSUE BECOMES COMPLICATED, IN TERMS OF DIPLOMACY, TRADE, AND BUSINESS. THE HELMS-BURTON ACT, IN ADDITION, IS CAUSING SERIOUS PROBLEMS FOR U.S. ASPIRATIONS TO LEADERSHIP, WITH THE UNITED STATES MOVING DE FACTO FROM A MULTILATERAL HANDLING OF WORLD AFFAIRS TO AN AGGRESSIVE UNILATERAL POLICY. THE WHITE HOUSE IS WELL AWARE OF THESE PROBLEMS, BUT THERE IS NO APPARENT SOLUTION FOR THE TIME BEING, SINCE THE LAW HAS ALREADY BEEN APPROVED BY CONGRESS AND SIGNED BY THE PRESIDENT.
(END TEXT) MILLER

SECT: SECTION: 01 OF 02
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RUCNDT/USMISSION USUN NEW YORK 9741

RUEHBL/AMCONSUL BELFAST 9073

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RUEHBS/AMEMBASSY BRUSSELS 4594

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RUEKJCS/SECDEF WASHDC

RUEATRS/DEPT OF TREASURY WASHDC

RUEAIIA/CIA WASHDC

RUEKJCS/DIA WASHDC

RUEHDC/USDOC WASHDC

SUBJ: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

A) BROADCASTING

THERE WAS NO FOREIGN NEWS OF NOTE ON THIS MORNING'S

TEXT:

UNCLAS SECTION 01 OF 06 LONDON 008592

USIA

PERISHABLE INFORMATION - DO NOT SERVICE

USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL

LSECREST; B/TV/WP;

STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;

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PARIS FOR USIS; UNESCO; OECD;

VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

A) BROADCASTING

THERE WAS NO FOREIGN NEWS OF NOTE ON THIS MORNING'S NEWSCASTS.

B) MAJOR PRESS STORIES

1. NORTHERN IRELAND
2. GORE
3. CUBA
4. LIBYA

C) SUMMARY

1. NORTHERN IRELAND

PAPERS REFLECTED ON THE RESURGENCE OF VIOLENCE IN THE PROVINCE AND ON THE DISCOVERY IN LONDON OF A "BOMB FACTORY" SUSPECTED OF PRODUCING EXPLOSIVES FOR A MAJOR BOMBING CAMPAIGN ON THE MAINLAND. FEARS THAT THE PEACE PROCESS IN NORTHERN IRELAND IS COLLAPSING CONTINUED TO EXERCISE EDITORIAL WRITERS. LEADER COLUMNS, EXPRESSING CONCERN THAT THE LOYALIST PARAMILITARIES COULD ABANDON THEIR CEASEFIRE, URGED THE LONDON AND DUBLIN GOVERNMENTS TO ACT URGENTLY.

2. GORE

THE CIRCUMSTANCES SURROUNDING THE CANCELLATION OF YESTERDAY'S MEETING BETWEEN VICE PRESIDENT GORE AND PRESIDENT YELTSIN WERE DESCRIBED AS "BIZARRE" BY ONE PAPER AND "WORRYING" BY ANOTHER. "THE WEST INVESTED MUCH POLITICAL CAPITAL IN MR. YELTSIN'S VICTORY. HIS BEHAVIOR SINCE CALLS INTO QUESTION THE WISDOM OF PLACING SUCH

3. CUBA

EUROPEAN UNION MINISTERS WERE REPORTED PREPARING "RETALIATION" AGAINST THE UNITED STATES UNLESS WASHINGTON BACKS AWAY FROM HELMS-BURTON MEASURES AGAINST EUROPEAN BUSINESS INTERESTS. THE "TIMES" SAID THE MEASURES "HAVE NO DEFENSE IN INTERNATIONAL LAW" AND SAW PRESIDENT CLINTON "TRAPPED" BETWEEN ELECTORAL CONSIDERATIONS AND DAMAGED RELATIONS WITH TRADING PARTNERS. "AS FOR PRESIDENT CASTRO, TO BE SO QUARRELLED OVER BY WESTERN ALLIES WILL GIVE HIM HIS SWEETEST PROPAGANDA VICTORY YET," SAID THE PAPER.

4. LIBYA

A COMMENTARY IN SCOTLAND'S "HERALD" EXAMINED SIGNS OF VIOLENT FUNDAMENTALIST OPPOSITION TO COLONEL GADDAFI'S REGIME AND SAW "IRONY" IN THE PROSPECT OF THIS FORMER "GODFATHER OF INTERNATIONAL TERRORISM" BEING HIMSELF TARGETED.

D) TEXT

1. NORTHERN IRELAND

THE CONSERVATIVE "DAILY TELEGRAPH" REPORTED 7/16:
UNCLAS SECTION 02 OF 06 LONDON 008592

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
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USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

"POLICE FOIL IRA BOMB CAMPAIGN"

"A SUMMER IRA BOMBING CAMPAIGN TO BRING DEATH AND
DISRUPTION TO THE SOUTH-EAST OF ENGLAND THROUGH ATTACKS
ON GAS, WATER AND ELECTRICITY INSTALLATIONS HAS BEEN
THWARTED BY THE POLICE. COMPONENTS FOR UP TO 36 BOMBS
WERE DISCOVERED. THE DEVICES WERE BEING ELECTRICALLY
CHARGED WHEN THE POLICE SWOOPED. SEVEN MEN WERE
ARRESTED."

THE SAME PAPER EDITORIALIZED:

"SECURE THE PROVINCE"

"AS NORTHERN IRELAND PLUNGES BACK INTO VIOLENCE, IT IS
OPPORTUNE TO CONSIDER THE STATE OF BRITAIN'S ANTI-
TERRORIST MEASURES, HITHERTO KEPT OUT OF THE SPOTLIGHT BY
THE PEACE TALKS...

"POLITICIANS ARE WRONG TO CLAIM THAT THERE CAN BE NO
MILITARY SOLUTION TO THE PROBLEMS OF NORTHERN IRELAND.
THE SECURITY FORCES CANNOT REMOVE THE UNDERLYING FORCES
OF THE CONFLICT; BUT TERRORIST AGGRESSION CAN BE
CONTAINED BY FORCE...

"THE POLITICAL PROCESS SHOULD NOT BE ALLOWED TO DISTRACT
THE GOVERNMENT FROM ITS FIRST DUTY: TO MAINTAIN THE RULE
OF LAW WITHIN ITS TERRITORY."

"THOSE WHO MAKE BOMBS, NOT PEACE"

THE CONSERVATIVE TABLOID "DAILY MAIL" EDITORIALIZED 7/16:

"AS THE PEOPLE OF NORTHERN IRELAND STARE AGAIN INTO THE ABYSS, NO OBJECTIVE OBSERVER IN THE OUTSIDE WORLD -- WHETHER FROM DUBLIN, WASHINGTON OR TIMBUCTU -- CAN FAIL TO UNDERSTAND WHY AND BY WHOM HOPE HAS BEEN ERASED FROM THE AGENDA.

"FOR THAT TREACHEROUS AND PREMEDITATED CHANGE OF TACTICS, THE IRA, TOGETHER WITH ITS CAMP FOLLOWERS AND APOLOGISTS, IS IN THE DOCK. NOBODY ELSE."

"SILENCING THE VOICE OF BIGOTRY"
THE INDEPENDENT "SCOTSMAN" (EDINBURGH) EDITORIALIZED 7/15:

WHEN THE PEACE PROCESS STARTED, THERE APPEARED TO BE AN ALMOST COLLECTIVE SIGH OF RELIEF AMONG THE PEOPLE OF NORTHERN IRELAND THAT THEY COULD BEGIN TO LIVE THEIR LIVES AGAIN WITHOUT THE CONSTANT THREAT OF VIOLENCE. SUCH POPULAR SENTIMENT PROVIDED THE BEST INSURANCE AGAINST THE TOTAL COLLAPSE OF THE PEACE PROCESS DESPITE THE MANY DIFFICULTIES IT HAS EXPERIENCED, BECAUSE ANY GROUP WHICH STARTED VIOLENCE AGAIN WOULD RAPIDLY HAVE LOST PUBLIC SUPPORT.

"NOW IT IS NO LONGER CERTAIN WHETHER THAT REALLY HOLDS TRUE. THE RECENT MARCHES HAVE SHOWN THAT THERE ARE SIZEABLE NUMBERS OF PEOPLE WHO ARE WILLING TO PUT THE UNCLAS SECTION 03 OF 06 LONDON 008592

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E.O.12356:N/A

SUBJECT: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

WHOLE PEACE PROCESS AT RISK FOR AN ATAVISTIC TRADITION WHICH HAS NO PLACE IN THE 20TH, LET ALONE THE 21ST CENTURY.

"NOW IS THE TIME FOR ALL THOSE PEOPLE IN NORTHERN IRELAND WHO WANT PEACE... TO MAKE THEIR VOICES HEARD. IF THEY DO NOT, THE PRICE OF BIGOTRY WILL DROWN OUT ALL ELSE."

"BRIDGING THE DIVIDE"

THE CENTRIST "HERALD" (GLASGOW) EDITORIALIZED 7/15:

"IT IS HARD TO SEE THE STATE OF AFFAIRS IN ULSTER THROUGH OTHER THAN GLOOMY EYES. MONTHS OF PATIENT NEGOTIATION WERE LOST LAST WEEK IN HOURS, IF NOT MINUTES. THE BRITISH AND IRISH GOVERNMENTS HAVE MOVED APART AND VIOLENCE HAS RETURNED TO THE STREETS.

"THE SAD FACT IS THAT THE DEPTH OF HATRED AND BITTERNESS BETWEEN THE TWO COMMUNITIES WAS HARDLY TOUCHED BY THE PEACE PROCESS IF IT COULD BE SO QUICKLY EXPOSED.

"TO ABANDON ALL EFFORTS FOR PEACE IN DESPAIR IS ALIEN TO THE LIBERAL TEMPERAMENT OF BOTH BRITISH AND IRISH SOCIETY, WHICH ARE REMARKABLY SIMILAR EVEN IF THE NEAR IDENTITY ESCAPES MANY ON BOTH SIDES OF ULSTER'S CONFESSIONAL DIVIDE. FOR ONE THING, THE BRITISH AND IRISH GOVERNMENTS SHOULD REBUILD, OR TRY TO REBUILD, THEIR BRIDGES AT ONCE...

"ONE THING IS CERTAIN: THOSE WHO WANT AN ULSTER OF LIBERAL VALUES, OF CIVIL LIBERTIES AND EQUAL FREEDOMS, CANNOT AFFORD TO BE DIVIDED FOR LONG."

"TIME FOR HARD POLITICS"

LONDON'S CONSERVATIVE "EVENING STANDARD" EDITORIALIZED LAST NIGHT (7/15):

"WE CANNOT SIMPLY ABANDON NORTHERN IRELAND TO THE INEXORABLE UNFOLDING OF THE NEXT SCENE IN THE TRAGEDY -- THE ABANDONMENT BY LOYALIST TERRORISTS OF THEIR OWN CEASEFIRE IN RESPONSE TO THE ENISKILLEN BOMBING. THERE IS STILL TIME FOR POLITICIANS TO TAKE CONTROL OF EVENTS BEFORE THAT HAPPENS, AND FOR THE PEOPLE OF THE PROVINCE TO TAKE STOCK OF THEIR PERILOUS SITUATION...

"FOR THE TIME BEING, HOWEVER, THE MOST URGENT REQUIREMENT IN NORTHERN IRELAND IS THAT PUBLIC ORDER SHOULD BE RESTORED. THERE IS STILL TIME TO DRAW BACK FROM THE BRINK, AND THOSE WHO FAIL TO DO EVERYTHING IN THEIR POWER TO RESTORE THE PEACE WILL BEAR A TERRIBLE BURDEN OF RESPONSIBILITY TO THE COMMUNITIES. THE ALTERNATIVE DOES NOT BEAR THINKING ABOUT."

2. GORE

"YELTSIN FAILS TO MEET GORE AS HEALTH FEARS REVIVE"

THE CONSERVATIVE "TIMES" REPORTED 7/16:
UNCLAS SECTION 04 OF 06 LONDON 008592

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E.O.12356:N/A

SUBJECT: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

"IN A BIZARRE LAPSE OF PROTOCOL, AMERICAN VICE PRESIDENT AL GORE ARRIVED IN MOSCOW YESTERDAY FOR A MEETING WITH PRESIDENT YELTSIN ONLY TO BE TOLD THAT HE HAD GONE ON HOLIDAY.

"BOTH SIDES TRIED RATHER LAMELY TO BRUSH OFF THE EMBARRASSING INCIDENT..."

"WHERE'S BORIS?"

THE CONSERVATIVE "DAILY TELEGRAPH" EDITORIALIZED 7/16:

"NOW YOU SEE HIM, NOW YOU DON'T. BORIS YELTSIN'S SUDDEN DECISION TO GO ON HOLIDAY, THUS MISSING A MEETING IN THE KREMLIN WITH AMERICAN VICE PRESIDENT AL GORE, IS TYPICAL OF A MAN WHO ALTERNATES BETWEEN FURIOUS PUBLIC ACTIVITY AND APPARENT CATATONIA..."

"THE PATTERN IS FAMILIAR BUT HAS BECOME MORE WORRYING IN THE WAKE OF MR. YELTSIN'S TWO BOUTS OF HEART TROUBLE LAST YEAR..."

"THE WEST INVESTED MUCH POLITICAL CAPITAL IN HIS VICTORY. MR. YELTSIN'S BEHAVIOR SINCE CALLS INTO QUESTION THE WISDOM OF PLACING SUCH TRUST IN JUST ONE MAN."

3. CUBA

"U.S. BUSINESS CHIEFS FACE EUROPE BAN IN CUBA ROW"

THE CONSERVATIVE "TIMES" REPORTED 7/16:

"EUROPEAN MINISTERS YESTERDAY PREPARED PLANS FOR RETALIATION AGAINST THE UNITED STATES IF PRESIDENT CLINTON FAILS TONIGHT TO SUSPEND ASPECTS OF THE HELMS-BURTON LEGISLATION..."

"WHILE EUROPE IS RELUCTANT TO SPUR WHAT COULD BE A DESTRUCTIVE TRADE WAR WITH WASHINGTON, MINISTERS YESTERDAY WERE ADAMANT THAT AMERICA SHOULD BE SHOWN IT WAS UNACCEPTABLE TO SEEK TO EXTEND ITS JURISDICTION BEYOND UNITED STATES BORDERS."

"PIGS AGAIN"

THE SAME PAPER EDITORIALIZED:

"THROUGHOUT FIDEL CASTRO'S 37-YEAR DICTATORSHIP, CUBA HAS HAD A PROPENSITY TO UNSETTLE UNITED STATES PRESIDENTIAL JUDGMENT. THE AMERICANS HAVE BEEN RIGHT ABOUT ONE BIG THING, THAT TYRANNY GROWN OLD AND POOR IS STILL TYRANNY AND THAT ALL LEGAL MEANS TO WEAKEN IT ARE JUSTIFIABLE. BUT WASHINGTON HAS NOT ALWAYS CALCULATED ITS POLICIES WISELY.

"THE CUBAN LIBERTY AND DEMOCRATIC SOLIDARITY (LIBERTAD) ACT, SPONSORED BY SENATOR JESSE HELMS AND REPRESENTATIVE DAN BURTON, IS AMERICA'S MOST ILL-CONSIDERED MOVE YET. THIS EXTRATERRITORIAL EXTENSION OF UNITED STATES UNCLAS SECTION 05 OF 06 LONDON 008592

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E.O.12356:N/A

SUBJECT: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

JURISDICTION HAS NO DEFENSE IN INTERNATIONAL LAW. IT RECALLS THE ARAB BOYCOTT OF COMPANIES THAT TRADED WITH ISRAEL, A BOYCOTT RIGHTLY DENOUNCED BY AMERICA DOWN THE YEARS.

"IF ENFORCED, IT WILL UNDERMINE THE MULTILATERAL TRADING RULES ON WHICH THE UNITED STATES DEPENDS AS MUCH AS ITS ALLIES. IT WILL ALSO HARM THE CONFIDENCE OF FOREIGN INVESTORS AND WHIP UP A DESTRUCTIVE STORM OVER THE ATLANTIC.

"MR. CLINTON IS NOW HORRIBLY TRAPPED...

"THE ELECTORAL ARITHMETIC MUST TEMPT HIM TO LET HELMS-BURTON TAKE ITS COURSE. IT WOULD BE AN ERROR, WITH REPERCUSSIONS THAT, AS MORE THAN 120 AMERICAN AND EUROPEAN BUSINESS LEADERS HAVE JOINTLY ADVISED HIM, WOULD LONG OUTLAST THE ELECTION CAMPAIGN. AS FOR PRESIDENT CASTRO, TO BE SO QUARRELLED OVER BY WESTERN ALLIES WILL GIVE HIM HIS SWEETEST PROPAGANDA VICTORY YET.
"AMERICA HAS NO BUSINESS ATTEMPTING TO CONTROL COMPANIES OUTSIDE ITS JURISDICTION. BUT EUROPEANS, WHO SAY THAT THEIR QUARREL WITH AMERICA IS OVER MEANS RATHER THAN ENDS, WOULD DO WELL TO RE-EXAMINE THEIR OWN POLICIES

TOWARDS CUBA."

4. LIBYA

THE CENTRIST "HERALD" (GLASGOW) REPORTED 7/15 ON THE RECENT SHOOTINGS IN TRIPOLI STADIUM AND CARRIED THIS ARTICLE BY INTERNATIONAL AFFAIRS COMMENTATOR CHRIS DOBSON:

"THE FATAL COMBINATION OF ISLAMIC FUNDAMENTALISM AND FOOTBALL HOOLIGANISM IS REPORTED TO HAVE LEFT 50 PEOPLE DEAD AFTER A BLOODY SHOOT-OUT IN THE LIBYAN CAPITAL LAST TUESDAY.

"AS AN EXAMPLE OF FOOTBALL HOOLIGANISM THE INCIDENT WAS SOMEWHAT EXCESSIVE BUT AS AN EXAMPLE OF ISLAMIC OPPOSITION TO GADDAFI'S RULE IT FALLS INTO PLACE AS EVIDENCE OF THE INCREASING OPPOSITION TO GADDAFI INSIDE THE COUNTRY HE HAS RULED WITH AN IRON BUT CAPRICIOUS HAND FOR 27 YEARS.

"THE TRADITIONAL DISSIDENT GROUPS HAVE DONE THEIR BEST, OFTEN WITH SUICIDAL BRAVERY, TO TOPPLE 'THE LEADER' BUT THEY HAVE BEEN DISUNITED AND HAVE OPERATED MAINLY FROM OUTSIDE THE COUNTRY. ISLAM IS NOW PROVIDING THE DISSIDENTS WITH THE SAME DRIVING FORCE THAT HAS MADE HAMAS AND HIZBOLLAH AND THE INSURGENTS IN EGYPT AND ALGERIA SUCH POTENT INSTRUMENTS OF REVOLT...

"THE IRONY OF THE SITUATION IS THAT GADDAFI, FOR SO LONG THE GODFATHER OF INTERNATIONAL TERRORISM, SHOULD COME UNDER ATTACK BY TERRORISTS WHO REGARD HIM AS A TRAITOR TO THE RULE OF ALLAH.

"IT IS NOT ONLY THE ISLAMISTS HE HAS TO FEAR. THE UNITED STATES IS BECOMING INCREASINGLY AGITATED BY WHAT THE CIA DESCRIBES AS THE WORLD'S BIGGEST CHEMICAL WARFARE FACTORY, BEING BUILT SOUTH-EAST OF TRIPOLI.
UNCLAS SECTION 06 OF 06 LONDON 008592

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E.O.12356:N/A

SUBJECT: LONDON MEDIA REPORT, TUESDAY, JULY 16, 1996

"IT IS WITHOUT DOUBT THAT THE UNITED STATES WILL TAKE

WHATEVER MEASURES IT MUST TO REMOVE THIS THREAT...

"SO GADDAFI IS IN THE UNIQUELY DANGEROUS POSITION OF
HAVING MADE ENEMIES OF BOTH THE ISLAMIC FUNDAMENTALISTS
AND THE AMERICAN 'INFIDELS'. IT WOULD SEEM UNLIKELY THAT
HE WILL NOT BE BROUGHT DOWN BY SUCH POTENT IF OPPOSING
ENEMIES." O'BRIEN

SECT: SECTION: 01 OF 06
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DIST: SIT: BUJOLD PETERS
SIT: NSC

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CLASS: UNCLASSIFIED

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TO: RUEHIA/USIA WASHDC IMMEDIATE 6074

INFO: RUEAIIA/CIA WASHDC

RUEATRS/DEPT OF TREASURY WASHDC

RUEHDC/USDOC WASHDC

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RUEHDL/AMEMBASSY DUBLIN 4796

RUEHMO/AMEMBASSY MOSCOW 6343

RUEHFR/AMEMBASSY PARIS 5803

RUEHRO/AMEMBASSY ROME 6041

RUCNDT/USMISSION USUN NEW YORK 9748

RUEHVEN/USMISSION USVIENNA 9521

RUEHNO/USMISSION USNATO 8108

RUEHUB/USINT HAVANA 1288

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SUBJ: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

TEXT:

UNCLAS SECTION 01 OF 08 LONDON 008656

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E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17 1996

A. TODAY'S MAJOR NEWS STORIES

1. HELMS-BURTON / U.S. SANCTIONS
2. RUSSIA : VICE-PRESIDENT GORE IN MOSCOW
3. NORTHERN IRELAND

B. SUMMARY

1. HELMS-BURTON / U.S. SANCTIONS

THE ANNOUNCEMENT THAT PRESIDENT CLINTON HAD SUSPENDED TITLE III OF THE HELMS-BURTON ACT CAME TOO LATE FOR EDITORIAL COMMENT TO APPEAR IN THIS MORNING'S PAPERS, BUT FEATURED IN THE NEWS PAGES OF ALL THE BROADSHEETS. ON THE WHOLE, IT WAS WELCOMED. THE INDEPENDENT FINANCIAL TIMES CALLED IT, RATHER ADMIRINGLY, A PIECE OF 'PRESIDENTIAL FUDGE'. (SEE TEXT BELOW).

"CLINTON CLIMBDOWN ON CUBA 'NOT ENOUGH'"

THE CONSERVATIVE DAILY TELEGRAPH REPORTED, HOWEVER (7/17):

"EU LEADERS LAST NIGHT WELCOMED A DECISION BY PRESIDENT CLINTON TO SUSPEND FOR SIX MONTHS THE MOST CONTENTIOUS PART OF HIS ANTI-CUBAN LEGISLATION BUT GAVE WARNING THAT EUROPE WOULD STILL RETALIATE AGAINST OTHER ASPECTS OF THE LAW.

"A BAN ON U.S. BUSINESSMEN VISITING BRITAIN IS BEING CONSIDERED BY THE GOVERNMENT IN RETALIATION FOR U.S. SANCTIONS ON BRITISH COMPANIES INVESTING IN CUBA.

"MINISTERS ARE UNDERSTOOD TO BE FURIOUS THAT MR CLINTON DID NOT GO FURTHER. MALCOLM RIFKIND, THE FOREIGN SECRETARY, SAID HE WOULD DISCUSS THE MATTER WITH MR CLINTON. 'WE REGRET THE PRESIDENT'S DECISION NOT TO WAIVE PROVISIONS WHICH THREATEN COMPANIES DOING LEGITIMATE BUSINESS IN CUBA AND WHICH ARE INCONSISTENT WITH A HEALTHY WORLD TRADE SYSTEM,' HE SAID. ...

"IN BACKING AWAY FROM THE POLITICAL AND DIPLOMATIC RISKS OF AN ANTI-CUBA LAW, MR CLINTON HAS TRIED TO PLEASE BOTH CUBAN EXILES, AND ALLIES SUCH AS BRITAIN, OVER ACTION TO SCARE OFF INVESTORS IN THE COMMUNIST ISLAND."

2. RUSSIA : VICE-PRESIDENT GORE IN MOSCOW

ONE ITEM. SEE TEXT BELOW.

3. NORTHERN IRELAND

ONE TABLOID TODAY CARRIES AN UNCONFIRMED REPORT THAT ONE OF THE SEVEN MEN ARRESTED DURING AN ANTI-TERRORIST RAID

IN SOUTH LONDON EARLIER THIS WEEK IS A U.S. CITIZEN. THE TENSION WITHIN THE PROVINCE CONTINUES TO ATTRACT A LOT OF COMMENTARY AND NEWS ITEMS.

UNCLAS SECTION 02 OF 08 LONDON 008656

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SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
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A. TODAY'S MAJOR NEWS STORIES

C. TEXT

1. HELMS-BURTON / U.S. SANCTIONS

"CLINTON BOWS TO PROTESTS ON CUBA TRADING"
 THE CONSERVATIVE TIMES HAD THIS FRONT PAGE REPORT (7/17):

"PRESIDENT CLINTON BOWED TO PRESSURE FROM BRITAIN AND EUROPE LAST NIGHT AND REACHED A HIGHLY POLITICAL COMPROMISE OVER CONTROVERSIAL AMERICAN SANCTIONS AGAINST FIDEL CASTRO'S REGIME IN CUBA.

"AFTER TWO DAYS OF INTENSE DEBATE WITH HIS POLITICAL AND FOREIGN POLICY ADVISERS, MR CLINTON ANNOUNCED A DECISION THAT THE WHITE HOUSE HOPES WILL AVOID A TRADE WAR WITH ALLIES BUT STILL COURT THE IMPORTANT CUBAN-AMERICAN VOTE FOR NOVEMBER'S PRESIDENTIAL ELECTION.

"ALTHOUGH THE PRESIDENT AGREED TO THE MOST CONTENTIOUS PART OF SANCTIONS LEGISLATION AGAINST CUBA, ALLOWING ANY AMERICAN WHOSE PROPERTY WAS CONFISCATED AFTER THE CUBAN REVOLUTION IN 1959 TO SUE FOREIGN COMPANIES USING THEIR ASSET, HE DELAYED ANY LAWSUITS FOR UP TO SIX MONTHS.

"THE RULING PREVENTS IMMEDIATE RETALIATION BY THE EUROPEAN UNION OR BRITISH GOVERNMENT, WHICH HAD STARTED PLANNING ACTION AGAINST AMERICAN COMPANIES YESTERDAY AMID A GROWING TRANSATLANTIC DISPUTE. THE COMPROMISE WAS SEEN IN CERTAIN QUARTERS AS A CLIMBDOWN BY THE ADMINISTRATION IN THE FACE OF INTENSE INTERNATIONAL PRESSURE.

"MR CLINTON SIGNED THE REPUBLICAN SPONSORED HELMS-BURTON BILL IN MARCH, AFTER THE CUBAN AIR FORCE SHOT DOWN TWO U

S CIVILIAN AIRCRAFT. UNDER THE TERMS OF THE BILL, HE HAD BEEN GIVEN UNTIL LAST NIGHT TO DECIDE ON TITLE 111, THE PROVISION WHICH WOULD ALLOW AMERICAN CITIZENS AND CORPORATIONS TO TAKE PROCEEDINGS AGAINST FOREIGN COMPANIES IN CUBA.

"JESSE HELMS, REPUBLICAN CHAIRMAN OF THE SENATE FOREIGN RELATIONS COMMITTEE, SAID: 'PRESIDENT CLINTON HAS ONCE AGAIN TAKEN A FIRM STAND ON BOTH SIDES.'"

(REPRODUCED IN FULL)

"CUBAN FUDGE PUTS OFF WAVE OF LAWSUITS"

THE INDEPENDENT FINANCIAL TIMES REPORTED (7/17):

"IT WAS A DECISION WHICH ON THE ONE HAND WOULD HAVE ALIENATED U.S. ALLIES AROUND THE WORLD OR ON THE OTHER HAVE PROVIDED VALUABLE AMMUNITION FOR PRESIDENT BILL CLINTON'S POLITICAL OPPONENTS IN NOVEMBER'S PRESIDENTIAL ELECTION. IN THE END, HE RESOLVED HIS DILEMMA OVER A HOTLY-DEBATED ANTI-CUBA LAW YESTERDAY WITH A PIECE OF PRESIDENTIAL FUDGE. ...

"YESTERDAY'S DECISION HAD WASHINGTON LAWYERS AND DIPLOMATS DESPERATELY SEEKING CLARIFICATION. THEIR UNCLAS SECTION 03 OF 08 LONDON 008656

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E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

A. TODAY'S MAJOR NEWS STORIES

INITIAL IMPRESSION WAS THAT MR CLINTON HAD FOUND A SOLUTION THAT WOULD ALLAY A DAMAGING DISPUTE WITH TRADING PARTNERS BUT SOFTEN THE ATTACKS FROM OPPONENTS CLAIMING PRESIDENTIAL WEAKNESS IN CONFRONTING THE CUBAN LEADER, FIDEL CASTRO. ...

"THREATS OF RETALIATION FROM ABROAD GAVE MR CLINTON A STRONG CASE IN EXERCISING HIS WAIVER RIGHTS ON GROUNDS OF NATIONAL INTEREST. PRESUMABLY TO STRENGTHEN THE ARGUMENT THAT THE DECISION WILL HASTEN DEMOCRACY IN CUBA, THE ADMINISTRATION ALSO SAID YESTERDAY IT WOULD USE THE SIX

MONTHS TO NEGOTIATE A TOUGHER STANCE TOWARDS CUBA FROM U.S. ALLIES.

"OTHER GOVERNMENTS WILL NOT BE PLEASED AT THIS, BUT THEIR DOMINANT RESPONSE IS MORE LIKELY TO BE ONE OF RELIEF THAT THE POSSIBILITY OF LAWSUITS -- SOME ESTIMATES SUGGEST UP TO 400,000 COULD BE GENERATED IF THE RIGHT TO SUE BECAME AUTOMATIC -- HAS BEEN ALLAYED AT LEAST FOR NOW.

"WHETHER THE DECISION WILL BE ENOUGH TO DEFUSE CUBA AS AN ELECTION ISSUE IS ANOTHER MATTER."

"CLINTON DELAYS DECISION DAY UNTIL AFTER POLL"
THE CENTRIST INDEPENDENT, WHICH DEVOTED THREE SEPARATE NEWS ITEMS TO THE SUBJECT, REPORTED FROM WASHINGTON (7/17):

"IN A BID TO APPEASE BOTH THE POLITICALLY POTENT CUBAN-AMERICAN LOBBY IN THE U.S. AND WASHINGTON'S OUTRAGED ALLIES IN CANADA AND EUROPE, PRESIDENT BILL CLINTON YESTERDAY ALLOWED A CONTROVERSIAL CUBAN SANCTIONS LAW TO GO AHEAD.

"BUT HE IMPOSED A SIX-MONTH DELAY ON ITS MOST BITTERLY CONTESTED PROVISION.

"JUST HOURS BEFORE LAST NIGHT'S DEADLINE, ADMINISTRATION OFFICIALS SAID THE PRESIDENT WOULD GO AHEAD WITH THE HELMS-BURTON ACT PUNISHING FOREIGNERS WHO DO BUSINESS WITH CUBA, BUT PLACE A MORATORIUM UNTIL NEXT FEBRUARY ON THE FILING OF LAWSUITS IN U.S. FEDERAL COURTS BY AMERICAN CITIZENS AND CORPORATIONS SEEKING DAMAGES FOR PROPERTIES CONFISCATED BY THE CASTRO GOVERNMENT.

"THE MOVE IS A CAREFULLY CRAFTED COMPROMISE, DESIGNED TO KEEP FAVOR WITH THE RABIDLY ANTI-CASTRO CUBAN AMERICAN VOTE IN KEY ELECTION STATES SUCH AS FLORIDA AND NEW JERSEY WHILE AVERTING THE THREAT OF RETALIATORY SANCTIONS FROM THE EU AGAINST U.S. CITIZENS AND COMPANIES, WHICH COULD TRIGGER A BRUISING TRANSATLANTIC TRADE CONFLICT.

"MR CLINTON HAS, IN EFFECT, PUT OFF A DECISION UNTIL WELL AFTER THE NOVEMBER ELECTION. IN THEORY, HE COULD ORDER ANOTHER SUCH MORATORIUM NEXT JANUARY, WHICH WOULD KEEP CASES OUT OF THE COURTS UNTIL AUGUST NEXT YEAR OR BEYOND.

UNCLAS SECTION 04 OF 08 LONDON 008656

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
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USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;

USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

A. TODAY'S MAJOR NEWS STORIES

"IN THE MEANTIME, THE ADMINISTRATION WILL TRY TO PERSUADE
ITS SKEPTICAL ALLIES TO INTRODUCE TOUGHER ANTI-CUBAN
MEASURES OF THEIR OWN."

"WASHINGTON TAKES ON THE REST OF THE WORLD"
IN A SEPARATE ITEM, THE PAPER SAID (7/17):

"THE LAPEL PIN'S BLUE AND WHITE HORIZONTAL STRIPES
MATCHED THE VERTICAL ONES ON THE TRADER'S SHIRT, ALTHOUGH
THE COMMUNIST RED TRIANGLE AND WHITE STAR POKING IN FROM
THE LEFT LOOKED INCONGRUOUS ON THE YOUNG CITY MAN'S SUIT
(THE CITY IS LONDON). 'IT'S THE CUBA FLAG,' HE EXPLAINED
TO HIS LUNCH COMPANIONS. 'A PROTEST AGAINST THE HELMS-
BURTON ACT'.

"THIS TIME NEXT YEAR THERE COULD BE AS MANY FLAGS ON THE
DEALER'S JACKET AS THERE ARE MEDALS ON A WAR HERO'S
CHEST. THE HELMS-BURTON ACT -- A NEW ANTI-CUBAN LAW
WHICH HAS OUTRAGED AMERICA'S ALLIES AND TRADING PARTNERS
-- IS A FAINT SHADOW OF THE ORIGINAL, WORLD- SPANNING
PROPOSAL. BUT MOVES ARE AFOOT IN WASHINGTON TO RESTORE
THE PROVISIONS TRIMMED BACK IN LAST YEAR'S CONGRESSIONAL
HORSE-TRADING. IF THE ARCH CONSERVATIVES SUCCEED, IT
COULD PRECIPITATE THE WORST TRADE DISPUTE IN DECADES. ...

"FEW PEOPLE CREDIT THE U.S.'S HIGH-MINDED CLAIM THAT IT
IS ONLY INTERESTED IN JUSTICE FOR ITS CITIZENS, 35 YEARS
AFTER THEIR PROPERTY WAS CONFISCATED. UNTIL LAST
FEBRUARY WHEN CUBA SHOT DOWN TWO PRIVATE PLANES ... THE
BILL HAD LITTLE CHANCE OF BECOMING LAW. AFTERWARDS IT
WAS ASSURED. CUBAN REFUGEES ARE A MAJOR POLITICAL FORCE
IN FLORIDA AND NEW JERSEY, IMPORTANT STATES IN A
PRESIDENTIAL ELECTION YEAR.

"LESS WELL KNOWN IS THE SUPPORT BEING GIVEN TO THE BILL
BY AMERICAN COMPANIES THAT WOULD DEARLY LIKE TO BE
TRADING IN CUBA THEMSELVES. THEY ARGUE, CORRECTLY, THAT
THEIR OVERSEAS RIVALS HAVE AN UNFAIR ADVANTAGE. ...THE
AMERICAN COMPANIES' PROBLEM COULD BEST BE DEALT WITH BY A
LIFTING OF THE REDUNDANT COLD-WAR EMBARGO. FAILING THAT,
THEY ARE DETERMINED TO FORCE IT ON EVERYONE.

"HELMS-BURTON, SAY ITS CRITICS AROUND THE WORLD, IS
NOTHING SHORT OF BULLYING. ... PRESIDENT CLINTON'S
DECISION YESTERDAY WILL BE SEEN AS A SIGNAL OF AMERICA'S
WILLINGNESS TO BE REASONABLE."

"CUBAN HEELS"

LAST NIGHT'S CONSERVATIVE TABLOID LONDON EVENING STANDARD EDITORIALIZED, BEFORE THE ANNOUNCEMENT OF THE DEFERRAL OF TITLE III (7/16):

"A TRADE WAR BETWEEN BRITAIN AND THE US WOULD HAVE BEEN IN THE REALMS OF FANTASY UNTIL A FEW WEEKS AGO. BUT WASHINGTON'S RIGID CAMPAIGN TO BRING CUBA TO HER KNEES HAS CREATED THE MOST SERIOUS TRANSATLANTIC DISPUTE IN A UNCLAS SECTION 05 OF 08 LONDON 008656

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
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VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

A. TODAY'S MAJOR NEWS STORIES

DECADE. TWO BRITISH BUSINESSMEN, THE FORMER DEPUTY GOVERNOR OF THE BANK OF ENGLAND, RUPERT PENNANT-REA, AND THE FORMER CHAIRMAN OF BAT INDUSTRIES, SIR PATRICK SHEEHY, HAVE BEEN BARRED FROM ENTERING THE US BECAUSE THEY ARE DIRECTORS OF A CANADIAN MINING COMPANY THAT HAS INTERESTS IN CUBA. THEY HAVE FALLEN FOUL OF THE NOTORIOUS HELMS-BURTON LAW WHICH DECLARES THAT ANY BUSINESSMAN OF ANY NATIONALITY TRADING WITH THE CASTRO REGIME IS DEEMED TO HAVE BROKEN US LAW AND COULD GO TO JAIL IF FOUND HOLIDAYING IN MARTHA'S VINEYARD. THAT THE US HAS PASSED SUCH A HEAVY-HANDED MEASURE WHICH CLEARLY BREAKS INTERNATIONAL LAW, IS ASTONISHING ENOUGH--THAT IT CAN CHOOSE TO IMPLEMENT IT, AGAINST CITIZENS OF ITS CLOSEST ALLIES, IS BREATHTAKING IN ITS ARROGANCE. IN BRUSSELS YESTERDAY, BRITAIN AND THE OTHER EU COUNTRIES DREW UP A LIST OF POSSIBLE COUNTER-MEASURES.

"THE (BRITISH) GOVERNMENT SHOULD FIND A WAY OF TALKING SOME SENSE INTO THE CLINTON ADMINISTRATION BEFORE THIS FESTERING ROW ESCALATES. THE PROBLEM IS THAT CUBA OCCUPIES A PLACE IN AMERICAN DEMONOLOGY TOTALLY OUT OF PROPORTION TO ITS SIZE AND PRESENT IMPORTANCE. MR CLINTON SHOULD BE TOLD THAT ADHERING TO THE PRINCIPLES OF FREE TRADE THAT AMERICA HAS HELD DEAR FOR SO LONG IS MORE IMPORTANT THAN HIS RE-ELECTION PROSPECTS."
(REPRODUCED IN FULL)

2. RUSSIA : VICE-PRESIDENT GORE IN MOSCOW

"GORE DECLARES 'RELAXED' YELTSIN IN GOOD HEALTH"

THE CONSERVATIVE TIMES REPORTED (7/17):

"PRESIDENT YELTSIN CONFOUNDED SPECULATION ABOUT HIS HEALTH BY APPEARING HIS NORMAL SELF WHEN HE MET AL GORE, THE US VICE-PRESIDENT, YESTERDAY IN THE BARVIKHA SANATORIUM OUTSIDE MOSCOW.

"THE MYSTERY OF WHY MR YELTSIN HAD CANCELED THEIR MEETING ON MONDAY AT AN HOUR'S NOTICE, UNSETTLING WORLD STOCK MARKETS, REMAINED UNSOLVED. MR GORE DIPLOMATICALLY BRUSHED IT ASIDE.

"A BANK OF CAMERAS STUDIED THE RUSSIAN PRESIDENT FOR ANY SIGNS OF ILL HEALTH. BUT AS THE TWO MEN SAT OPPOSITE EACH OTHER AND CHATTED FOR 45 MINUTES, MR YELTSIN LOOKED NO WORSE THAN HE HAS ON MANY OCCASIONS OVER THE PAST FEW YEARS. THE PRESIDENT WALKED A LITTLE STIFFLY AND WAS PUFFY IN THE FACE, BUT SMILED BROADLY AND SPOKE CLEARLY.

"'HE LOOKS VERY GOOD TO ME', MR GORE SAID AFTERWARDS, ANTICIPATING REPORTERS' QUESTIONS. 'HE SEEMED TO BE IN GOOD HEALTH, RELAXED, SMILING AND SEEMED VERY ACTIVELY ENGAGED IN THE SUBJECTS WE DISCUSSED,' THE VICE-PRESIDENT SAID, ADDING THAT THEY HAD HELD AN IN-DEPTH DISCUSSION ON GLOBAL AND BILATERAL ISSUES.

UNCLAS SECTION 06 OF 08 LONDON 008656

USIA

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E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

A. TODAY'S MAJOR NEWS STORIES

"THE CANCELED MEETING WILL NOW TURN INTO JUST ANOTHER OF THE MYSTERIOUS EPISODES WHICH HAVE DOGGED MR YELTSIN FOR THE PAST THREE YEARS AND HAVE PERSUADED SOME OBSERVERS THAT HE IS SERIOUSLY ILL.

"THE PRESS HAS NOT BEEN ABLE TO SEE MR YELTSIN IN A

SPONTANEOUS SETTING FOR ALMOST A MONTH. BUT IN TIME-HONOURED KREMLIN FASHION, HIS AIDES HAVE INSISTED ONLY THAT HE IS 'VERY TIRED' AFTER A STRESSFUL ELECTION CAMPAIGN AND IS TAKING A TWO-WEEK HOLIDAY.

"MR YELTSIN'S CHOICE OF A SANATORIUM AS HIS HOLIDAY LOCATION, HOWEVER, SUGGESTS THAT HE IS UNDERGOING SOME FORM OF MEDICAL TREATMENT AND THERE IS EVEN SPECULATION THAT HE MAY UNDERGO OPEN-HEART SURGERY LATER THIS YEAR.

"IN AN ATMOSPHERE OF MUTUAL COZINESS, MR GORE WARMLY CONGRATULATED MR YELTSIN ON HIS ELECTION VICTORY AND ON HIS "DANCING TECHNIQUE", A REFERENCE TO THE RUSSIAN LEADER'S LIVELY PERFORMANCE ON THE CAMPAIGN TRAIL. IN RESPONSE, MR YELTSIN SAID IT WAS A 'COMMON VICTORY' FOR DEMOCRACY. PRESIDENT CLINTON MADE LITTLE SECRET OF HIS SUPPORT FOR MR YELTSIN IN THE PRESIDENTIAL ELECTION.

"MANY RUSSIAN LIBERAL POLITICIANS HAD BEEN HOPING THAT MR GORE WOULD TAKE A TOUGH POSITION ON THE RECENT MILITARY ESCALATION IN CHECHENIA AND THE BOMBING OF VILLAGES. HOWEVER, HIS STATEMENT WAS VAGUE; MR GORE SAID ONLY THAT HE HAD URGED MR YELTSIN TO RESTART THE NEGOTIATION PROCESS AND THAT HE BELIEVED THE ISSUE COULD NOT BE SOLVED MILITARILY."

3. NORTHERN IRELAND

"U.S. SUSPECT IN BOMBS SWOOP"

THE LEFT-WING TABLOID MASS CIRCULATION DAILY MIRROR REPORTED THIS MORNING (7/17):

"ONE OF THE SEVEN IRA SUSPECTS SEIZED IN THE LONDON BOMB-FACTORY SWOOP IS BELIEVED TO BE AMERICAN, IT WAS REVEALED LAST NIGHT.

"THE UNITED STATES CITIZEN, IN HIS LATE 20S, IS THOUGHT TO HAVE BEEN TRAVELLING UNDER FALSE PASSPORT AND PAPERS.

"IT IS THE FIRST TIME A US NATIONAL HAS BEEN LINKED TO AN IRA INQUIRY.

"HE WAS HELD ON MONDAY AT A HOUSE IN TOOTING, SOUTH LONDON, AS POLICE FOILED A POSSIBLE ATTACK ON GAS, WATER AND ELECTRICITY INSTALLATIONS.

"THE TERRORIST "SPECTACULAR" WOULD HAVE BROUGHT DEVASTATION TO LONDON AND THE SOUTH-EAST. ...

UNCLAS SECTION 07 OF 08 LONDON 008656

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
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STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;
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USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

A. TODAY'S MAJOR NEWS STORIES

"THE BRITISH GOVERNMENT TIED FOR YEARS TO CONVINCE U.S.
PRESIDENTS AND POLITICIANS THAT CASH COLLECTED BY THE NOW
DEFUNCT NORAIID GROUP WAS BEING USED TO BUY BULLETS AND
BOMBS -- NOT TO COMFORT VICTIMS OF THE 'TROUBLES'. ...
SCOTLAND YARD LAST NIGHT REFUSED TO CONFIRM THE
NATIONALITY OF ANY OF THE ARRESTED SEVEN."

"ZULU LESSONS FOR ULSTER"

THE CONSERVATIVE TIMES HAD THIS COMMENTARY BY FORMER
EDITOR AND REGULAR COLUMNIST SIMON JENKINS (7/17):

"I BELIEVE THAT IN NORTHERN IRELAND, AS IN NATAL AND (WE
HOPE) IN BOSNIA, DEMOCRACY IS A POTENT FORCE FOR PEACE.
IT OFFERS THE GATE THROUGH WHICH ANY MIXED COMMUNITY MUST
PASS IF IT IS TO ACHIEVE STABLE PEACE. THE CONTRAST
BETWEEN THE BRITISH GOVERNMENT'S IDEA OF DEMOCRACY AND
THAT OF THE REST OF THE WORLD COULD HARDLY BE GREATER.

"IN THE FIELDS OF DRUMCREE, THE BRITISH IDEA WAS FOUND
WANTING. THE GREATEST LOSS THAT TWO DECADES OF DIRECT
RULE HAVE BROUGHT TO NORTHERN IRELAND IS NOT THE PHYSICAL
DESTRUCTION, THE DEATHS, THE UNEMPLOYMENT OR COMMERCIAL
DECAY. IT IS THE LOSS OF A NEW POLITICAL
LEADERSHIP. THERE ARE NO NEW HUMES, TRIMBLES, PAISLEYS.
ADAMSES, EXCEPT ON A FEW DISTRICT COUNCILS -- COUNCILS
NEUTERED BY WESTMINSTER TO BE NO MORE THAN LENINIST
DUMAS. AND SINCE DIRECT RULERS CARRY THE BURDEN OF
COMPROMISE, LOCAL LEADERS NEED ONLY DEFEND GROUP
INTERESTS, AS WE SAW AGAIN THIS WEEK. FOR MR MAJOR TO
APPEAL ON MONDAY TO SOMETHING HE CALLED 'THE CENTER' WAS
PLAIN DAFT. IN POLITICAL TERMS, HE IS THE ONLY CENTER.
DIRECT RULE REDUCES COLONIAL POLITICS TO A CONFLICT OF
EXTREMES.

"AS FOR THE CARAVANSERAI STILL GATHERED OUTSIDE STORMONT
AND KNOWN AS THE 'PEACE PROCESS', THIS HAS YIELDED
NEITHER PEACE NOR A PROCESS. IT IS WHAT IT ALWAYS WAS,
JUST ANOTHER STAGE ON WHICH THE OLD-TIMERS COULD REHEARSE
THEIR ROUTINES. THE GOVERNMENT COULD NOW SEND EVERYONE
HOME, BUT I DOUBT IF IT HAS THE COURAGE. THE LEAST WE
MIGHT EXPECT IS THAT IT WILL PREPARE THE ONE POLICY THAT
MAKES ANY SENSE: ABANDONING ALL THOUGHT OF A

POWER-SHARING EXECUTIVE OR ASSEMBLY AT STORMONT AND RETURNING TO NORTHERN IRELAND'S COUNTIES AND CITIES THE POWERS ENJOYED BY ENGLISH LOCAL AUTHORITIES UP TO 1979. THESE MUST INCLUDE SOME TAX-RAISING POWERS, AND RESPONSIBILITY FOR JOBS, HOUSING AND SERVICES. THE OUTCOME WOULD BE A MIX OF NATIONALIST AND UNIONIST COUNCILS, THUS DIVIDING RESPONSIBILITY FOR THE GOVERNMENT OF THE PROVINCE ON A GEOGRAPHICAL BASIS.

"THIS REVIVAL OF LOCAL DEMOCRACY IS THE ONE POLITICAL INNOVATION IN NORTHERN IRELAND THAT OFFERS ANY PROGRESS, ANY DIFFERENCE, ANY LASTING CONTRIBUTION TO PEACE. THE INITIATIVE FOR THIS MUST LIE WITH CENTRAL GOVERNMENT. BUT THE INITIATIVE MUST BE SINCERE. ULSTER PEOPLE MUST UNCLAS SECTION 08 OF 08 LONDON 008656

USIA

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WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
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PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, WEDNESDAY JULY 17
1996

A. TODAY'S MAJOR NEWS STORIES

FEEL THAT, IN VOTING, THEY ARE VESTING REAL POWER IN THEIR LOCAL LEADERS, POWER TO NEGOTIATE COMPROMISE AND SO ACCEPT RESPONSIBILITY FOR THE OUTCOME.

"I FIND THE INTELLECTUAL COLLAPSE OF THE POLICY OF DIRECT RULE NOT DEPRESSING BUT COMFORTING. IT IS PROOF THAT THERE IS NO OTHER ROUTE TO INTER-COMMUNAL GOVERNMENT THAN THROUGH DEMOCRACY. YOU CANNOT ORDER PEOPLE TO BE KIND TO ONE ANOTHER, EVEN IF YOU ARE A BRITISH PRIME MINISTER OR AN AMERICAN PRESIDENT. THEY MUST WANT IT AND SEEK IT FOR THEMSELVES THROUGH THE BALLOT. ALL THAT SUPERIOR RULERS CAN DO IS PUT IN PLACE THE INSTITUTIONS TO MAKE THIS POSSIBLE--AND THEN WITHDRAW.

"GOVERNORS HATE WITHDRAWING. THEY CANNOT BELIEVE THAT OTHER MEN, ELECTED BY OTHER VOTERS, CAN BE QUITE SO WISE OR QUITE SO POPULAR AS THEY ARE. I HAVE LISTENED FOR YEARS TO THE APOLOGIAS OF ULSTER'S DIRECT RULERS. IT HAS ALWAYS BEEN AN AUDITION OF THE ARROGANCE OF POWER. THIS ARROGANCE IS NOW PALPABLY FUTILE. THERE IS ANOTHER WAY." O'BRIEN

SECT: SECTION: 01 OF 08

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ORIG: USIS BONN

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RUEHFT/AMCONSUL FRANKFURT

RUEHRL/USOFFICE BERLIN

RUEHSU/AMCONSUL STUTTGART

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RHFSBCC/17AF SEMBACH AB GE//CCH//

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RUFDAAA/CINCUSAREUR HEIDELBERG GE

RHFQAAA/HQUSAFE RAMSTEIN AB GE//CCH

RHFQAAA/AFOSI DET 501 RAMSTEIN AB GE//EAC//

RUEAHQA/HQUSAF WASHDC//XOXX//

RUSNNOA/USCINCEUR VAIHINGEN GE//POLAD/ECJ5/CJ1-HN//

RUEHMZ/AMCONSUL MUNICH

RUEHLO/AMEMBASSY LONDON

RUEHFR/AMEMBASSY PARIS

RUSNNOA/USCINCEUR VAIHINGEN GE//PA/POLAD/ECPA//

RUEHC/LABOR DEPT WASHDC//MCCAFFREY//

RUEHVEN/USMISSION USVIENNA//CSBM/CSCE/PAA//

RUEHNO/USMISSION USNATO

RUEATRS/TREASURY WASHDC

RUEHBS/AMEMBASSY BRUSSELS//NESSEE//

RUEHC/SECSTATE WASHDC

RHEHNSC/NSC WASHDC

RUEAIIA/CIA WASHDC

RUEKJCS/DIA WASHDC//DC-4A//

RHEHAAA/WHITEHOUSE WASHDC

RUEKJCS/SECDEF WASHDC//USDP/ISA/DSAA//

SUBJ: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS

TEXT:

UNCLAS SECTION 01 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE;
STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO
PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR USIS
AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL;
USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR
ECPAO, POLAD, CJ1-HN, ECJ5-E, ECPA;USSUPPORT ELEMENT

HQ BALTAP ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR
XOXX

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E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS
U.N.EU;BONN

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- B. (U.S.-RUSSIA) GORE VISIT
- C. (BOSNIA) HOLBROOKE'S MISSION
- D. (U.S.) HELMS-BURTON ACT
- E. (CYPRUS) ALBRIGHT TO NICOSIA
- F. (U.N.) GENEVA CLIMATE CONFERENCE

A. LEAD STORIES SUMMARY

WEDNESDAY, JULY 17, 1996

HEADLINES"ONCE AGAIN,
GERMANY COUNTS MORE DRUG-RELATED DEATHS / NUMBER OF
ECSTASY USERS ON THE RISE" (FRANKFURTER ALLGEMEINE)

"EU - U.S. TRADE WAR LOOMS " (SUEDDEUTSCHE ZEITUNG)

"BUNDESRAT WILL SAY NO TO ECONOMY MEASURES" (DIE WELT)

"CDU/CSU LEADERSHIP REFUSES TO RESTORE FUNDING FOR
JOB-CREATION" (FRANKFURTER RUNDSCHAU)

"IN TIDE CONFLICT, EU WELCOMES U.S. DECISION"
(GENERAL-ANZEIGER)

EDITORIALS FOCUS ON THE INTERIOR MINISTRY REPORT ON
DRUG ABUSE, THE GOVERNMENT'S ECONOMIZING MEASURES, AND
HELMS-BURTON. ZDF-TV OPENED WITH THE VERDICT AGAINST
THREE GANGSTERS WHO BUILT A TUNNEL TO ROB A BANK IN
BERLIN.

B. (U.S.-RUSSIA) GORE VISIT

1. MOSCOW CORRESPONDENT UWE ENGELBRECHT NOTED IN
AN EDITORIAL IN CENTRIST GENERAL-ANZEIGER OF BONN (7/17)
AND CENTRIST KOELNER STADT-ANZEIGER (7/17) UNDER THE
HEADLINE:

"QUESTIONS OF STYLE."

"IT WAS EXPECTED THAT YELTSIN, AFTER THE END OF THE
ELECTION CAMPAIGN, WOULD BE GETTING WEAKER, BUT THE
CANCELLATION OF HIS MEETING WITH U.S. VICE PRESIDENT AL
GORE ON MONDAY WAS BASED ON NONCHALANT BEHAVIOR RATHER
THAN ON HEALTH PROBLEMS. SHORTLY BEFORE THE MEETING, HE
HAD TO SOLVE A KEY PERSONNEL QUESTION, NAMELY, TO MAKE
ANATOLI CHUBAIS THE NUMBER TWO IN THE KREMLIN. BUT WHAT
WOULD HAVE CAUSED IRRITATIONS IN THE PAST WILL BE
FORGIVEN TODAY: THE DIFFERENCE BETWEEN THE SYSTEMS NO

LONGER EXISTS, AND THIS OFFSETS ANY AFFRONT. IN THIS SITUATION, EVEN MOSCOW'S POLICY TOWARDS CHECHNYA IS UNCLAS SECTION 02 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE; STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR USIS AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL; USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR ECPAO, POLAD, CJ1-HN, ECJ5-E, ECPA;USSUPPORT ELEMENT HQ BALTAPO ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR X0XX

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E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS U.N.EU;BONN

CONSIDERED THE OPTIMUM VARIANT UNDER EXISTING CONDITIONS.'"

2. RIGHT-OF-CENTER MAERKISCHE ODERZEITUNG OF FRANKFURT ON THE ODER (7/17) ARGUES:

OF COURSE, AL GORE KNOWS THAT IT IS NOT POSSIBLE TO USE ALL MEANS POSSIBLE - INCLUDING U.S. ELECTION CAMPAIGN MANAGERS - TO ACHIEVE BORIS YELTSIN'S REELECTION AND THEN CRITICIZE HIM A LITTLE BIT LATER. FROM WASHINGTON'S POINT OF VIEW, TOO MUCH IS AT STAKE. THE FEDERAL PUMA OBSTINATELY REFUSES TO RATIFY RELEVANT DISARMAMENT AGREEMENTS WITH THE UNITED STATES. AND THE RUSSIAN PRESIDENT CONTINUES TO STICK TO HIS STRICT REJECTION OF NATO'S ENLARGEMENT TO THE EAST. THIS IS WHY GORE'S VISIT MAINLY CENTERED ON THE CULTIVATION OF A GOOD ATMOSPHERE (BETWEEN THE UNITED STATES AND RUSSIA). BUT IN

THE INTEREST OF THE CHECHEN CIVILIAN POPULATION, IT WOULD HAVE BEEN APPROPRIATE TO SPEAK IN CLEAR LANGUAGE."

3. PETER JOSEF BOCK CENTERS ON THE ANATOLI CHUBAIS'S APPOINTMENT AND COMMENTED ON NATIONAL RADIO STATION DEUTSCHLANDFUNK OF COLOGNE (7/16):

"WITH THE APPOINTMENT OF ANATOLI CHUBAIS...THE REFORMIST WING IN YELTSIN'S CAMP HAS WON OVER THE CAMP OF NATIONALIST HARDLINERS. WITH HIS LATEST PERSONNEL DECISION, YELTSIN ONCE AGAIN DEMONSTRATED THAT HE KNOWS HOW TO MOVE CHESS FIGURES IN SUCH A MANNER THAT IT SAVES HIS POWER. AND THAT A KIND OF ACCOMMODATION IS ACCOMPLISHED AT HIS COURT ACCORDING TO THE PRINCIPLE DIVIDE AND RULE.'

"AT THE MOMENT, CHUBAIS WILL ALSO STRENGTHEN THE POSITION OF THE OLD - AND PROBABLY NEW - PREMIER

CHERNOMYRDIN. BUT CHUBAIS COULD ALSO WEAKEN THE INFLUENCE AND THE POSSIBILITIES OF ALEXANDER LEBED. CHERNOMYRDIN ALREADY SHOWED THAT LEBED'S ACTIVITIES ARE LIMITED. MAYBE LEBED'S NEW MODESTY IS ONLY OF A TACTICAL NATURE. IN ANY CASE, HIS INFLUENCE HAS DECLINED. IT SEEMS THAT, FOR THE TIME BEING, BORIS YELTSIN CONTINUES TO KEEP EVERYTHING UNDER CONTROL."

C. (BOSNIA) HOLBROOKE'S MISSION

1. CENTRIST LEIPZIGER VOLKSZEITUNG (7/17) HOLDS:

"IF HE IS ALL ALONE, EVEN A DIPLOMATIC RAMBO CANNOT ACHIEVE ANYTHING. DURING HIS FIRST MISSION, RICHARD UNCLAS SECTION 03 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE; STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR USIS AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL; USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR ECPAO, POLAD, CJI-HN, ECJ5-E, ECPA;USSUPPORT ELEMENT HQ BALTAP ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR X0XX

"PERISHABLE INFORMATION -- DO NOT SERVICE"

E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS U.N.EU;BONN

HOLBROOKE WAS ABLE TO GIVE THE DAYTON AGREEMENT A PUSH BECAUSE BILL CLINTON'S CONCENTRATED POWER WAS BEHIND HIM. BUT HE CANNOT RELY ON THE SAME RESOLUTENESS DURING HIS SECOND MISSION IN THE BALKANS, SINCE THE U.S. PRESIDENT MUST ACHIEVE THE GREATEST POSSIBLE BENEFIT WITH THE SMALLEST EXPENSE. TO PUT IT CLEARLY: ONLY IF THE ELECTIONS IN BOSNIA TAKE PLACE AS PLANNED ON SEPTEMBER 14 CAN CLINTON TAKE ADVANTAGE OF THE DAYTON AGREEMENT IN HIS ELECTION CAMPAIGN. BUT WITHOUT THE PARTICIPATION OF THE SERBS, THE ELECTIONS WOULD NOT MAKE SENSE. THIS IS WHY THE EFFORTS TO TOPPLE KARADZIC ARE AT BEST HALFHEARTED. BUT EVEN IF HOLBROOKE IS SUCCESSFUL AND DEPRIVES THE BOSNIAN SERB LEADER OF HIS POWER VIA PRESIDENT MILOSEVIC, THIS WILL NOT BE AN ACT OF JUSTICE. IF KARADZIC REALLY DISAPPEARS FROM THE (POLITICAL) STAGE, HE CANNOT APPEAR BEFORE THE WAR CRIMES TRIBUNAL IN THE HAGUE."

2. LOTHAR RUEHL OPINES IN AN EDITORIAL IN RIGHT-OF-CENTER DIE WELT OF BERLIN (7/17) UNDER THE HEADLINE:

"THE BOSNIAN TRAP."

"THE TOUGH MESSAGE' OF THE UNITED STATES, WHICH WAS PRESENTED BY BOSNIAN ENVOY RICHARD HOLBROOKE IN BELGRADE,

IS TO BREAK OPEN THE SELF CONSTRUCTED TRAP OF THE WEST'S DAYTON POLICY BEFORE THE WEST IS CAUGHT IN THIS TRAP IN SEPTEMBER DURING THE ELECTIONS IN BOSNIA. IF THE TRAP SNAPS SHUT, THE NATO COUNTRIES COULD FIND THEMSELVES IN THIS DIVIDED COUNTRY FOR MANY MORE YEARS. IF KARADZIC AND MLADIC REMAIN AT-LARGE DESPITE THE INTERNATIONAL ARREST WARRANTS OF THE WAR CRIMES TRIBUNAL, AND KARADZIC REMAINS, IN ADDITION, AT THE TOP OF THE PARTY LEADERSHIP, THEN HE AND MLADIC WILL KEEP POLITICAL CONTROL OVER THE SERBIAN REPUBLIC' EVEN WITHOUT OFFICIAL POSITIONS. AN ELECTION VICTORY WOULD LEGITIMIZE THEM AND THEIR CASE EVEN WITHOUT A PARLIAMENTARY MAJORITY.

"THE DILEMMA IS THAT KARADZIC'S PARTY WOULD BE LEGITIMIZED WITH AN ELECTION VICTORY ON THE SERBIAN SIDE OR THE ELECTIONS WILL NOT HAVE ANY VALUE AS A MEANS OF STABILIZING BOSNIA POLITICALLY IF THE STRONGEST SERBIAN PARTY IS EXCLUDED FROM THE ELECTIONS.

"AN IFOR ATTEMPT TO ARREST KARADZIC AND MLADIC COULD SUCCEED BUT ALSO COULD CAUSE THE ANNOUNCED SERBIAN RETALIATORY ATTACKS. BUT THE ALLIES ARE SHYING AWAY FROM THIS RISK...AS THEY ARE SHYING AWAY FROM THE RESUMPTION OF SANCTIONS.... THIS MEANS THAT THE TROUBLESHOOTER FROM WALL STREET MUST HELP WITH THE POLITICS THROUGH HIS DIPLOMATIC EFFORTS. FOR MILOSEVIC THE RISKS ARE GROWING UNCLAS SECTION 04 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE; STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR USIS AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL; USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR ECPAO, POLAD, CJ1-HN, ECJ5-E, ECPA;USSUPPORT ELEMENT HQ BALTAP ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR X0XX

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E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS U.N.EU;BONN

AND THUS HIS DEMAND FOR INTERNATIONAL PERSONAL IMMUNITY FROM PROSECUTION VIS-A-VIS THE INTERNATIONAL JUDICIAL AUTHORITIES."

3. GODEHARD UHLEMANN STATES IN AN EDITORIAL IN RIGHT-OF-CENTER RHEINISCHE POST OF DUESSELDORF (7/17) UNDER THE HEADLINE:

"RETURN TO THE BALKANS."

"THERE ARE SOME ARGUMENTS THAT SPEAK IN FAVOR OF RICHARD HOLBROOKE. ACCORDING TO THE U.S. SLOGAN THAT

NOTHING SUCCEEDS LIKE SUCCESS, THE EX-DIPLOMAT IS NOW TO STAGE HIS SECOND COUP. THE BANKER HAS ALWAYS BEEN CONVINCED OF HIS PEACE MISSION, AND HE WANTS TO ACHIEVE HIS HIGH AIMS WITH TOUGHNESS, IF NECESSARY. THE SERBIAN TACTIC, WHICH HAS DRIVEN THE EUROPEANS TO DESPAIR -- TO PROMISE EVERYTHING, TO ACCEPT A LOT OF THINGS AT THE NEGOTIATING TABLE AND THEN NOT KEEP TO THE PROMISES MADE -- HAS LITTLE CHANCE WITH RICHARD HOLBROOKE."

4. RIGHT-OF-CENTER SAECHSISCHE ZEITUNG OF DRESDEN (7/17) HAS THIS TO SAY:

"NOW SUPERMAN HOLBROOKE IS TO SAVE WHAT CAN HARDLY BE SAVED AND THEN SEE TO IT THAT SERB LEADER KARADZIC IS PUNISHED...AS HE DESERVES. THE CREDIBILITY OF THE WAR CRIMES TRIBUNAL AND THE INTERNATIONAL COMMUNITY IS AT STAKE WITH THIS INDECENT CAT-AND-MOUSE GAME AROUND KARADZIC. BUT THE MAIN REASON IS THAT PRESIDENT CLINTON NEEDS SUCCESSFUL REPORTS FROM THE BALKANS IF HE WANTS TO KEEP HIS CHANCES FOR A SECOND TERM IN THE WHITE HOUSE."

D. (U.S.) HELMS-BURTON ACT

1. RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (7/17) CARRIES AN EDITORIAL UNDER THE HEADLINE:

"ROW AMONG PARTNERS."

"HOW DOES THIS FIT TOGETHER? POLITICIANS IN THE UNITED STATES AND EUROPE ARE PAINTING AN IDYLIC PICTURE OF A FUTURE TRANSATLANTIC FREE TRADE ZONE, AND, AT THE SAME TIME, THESE POLITICIANS ARE STARTING A TRADE ROW BETWEEN THE UNITED STATES AND EUROPE. THEY SEEM TO HAVE FORGOTTEN WHAT THEY EMPHASIZED IN A TRANSATLANTIC DECLARATION AT THE END OF 1995: THEY HAVE A SPECIAL RESPONSIBILITY FOR THE STRENGTHENING OF THE MULTILATERAL TIDE SYSTEM, AND THEY HAVE TO ASSUME A LEADERSHIP ROLE WHEN IT COMES TO OPENING MARKETS FOR INVESTMENTS AND UNCLAS SECTION 05 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE; STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR USIS AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL; USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR ECPAO, POLAD, CJ1-HN, ECJ5-E, ECPA; USSUPPORT ELEMENT HQ BALTAP ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR XXXX

"PERISHABLE INFORMATION -- DO NOT SERVICE"

E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS U.N.EU;BONN

TIDE. THE PATH THAT THE HELMS-BURTON ACT NOW ENVISIONS, LEADS IN THE OTHER DIRECTION: BACK TO PROTECTIONISM I<3TZ8h IN EUROPE MAY BE IT IS JUSTIFIED."

2. RIGHT-OF-CENTER HANNOVERSCHE ALLGEMEINE ZEITUNG (7/17) SAYS:

"WITH THE HELMS-BURTON ACT, THE UNITED STATES HAS VIOLATED THE SPIRIT OF IMPORTANT EUROPEAN-AMERICAN AGREEMENTS.... IF BOTH SIDES DO NOT QUICKLY FIND NEW MECHANISMS TO PREVENT ANACHRONISMS AND ODDITIES LIKE THE HELMS-BURTON ACT, SUCH NICE (EUROPEAN-AMERICAN) AGREEMENTS CAN OTHERWISE BE DISCARDED. THE LAWMAKERS IN THE HOUSE OF REPRESENTATIVES AND THE SENATE IN PARTICULAR MUST START TO RETHINK THIS. IN THESE TWO BODIES, A KIND OF PROVINCIALISM HAS TAKEN HOLD THAT IS INAPPROPRIATE FOR A LEADERSHIP POWER OF THE WESTERN WORLD. A LOT OF THING NEED TO BE DONE IN THE TRANSATLANTIC DIALOGUE. THE CRISIS AROUND HELMS-BURTON HAS AT LEAST SHOWN ONE THING: THE MUCH-IMPLORED EUROPEAN-AMERICAN PARTNERSHIP IS NOT SET FOR ETERNITY. ONCE IN A WHILE, ALL SIDES INVOLVED MUST SERIOUSLY WORK TO MAINTAIN IT."

3. CENTRIST SÜDWEST PRESSE OF ULM (7/17) JUDGES:

"MEASURED AGAINST THE SOFT DECLARATIONS WHICH WE CAN HEAR ON SIMILAR OCCASIONS, THE EUROPEAN UNION MADE A REMARKABLY CLEAR STATEMENT AGAINST THE PROLIFERATION OF THE U.S. ANTI-CUBA POLICY. AND THIS IS GOOD: THIRD PARTIES ARE TO BE RECRUITED FOR A CAMPAIGN WHICH HAS NOTHING TO DO WITH HUMAN RIGHTS OR EVEN THE REJECTION OF A REAL THREAT, BUT ALL THE MORE WITH BILL CLINTON'S REELECTION. HE IS FIGHTING FOR THE VOTES OF EXILED CUBANS LIVING IN FLORIDA, AND THE 250 FOREIGN COMPANIES WHICH STRIKE DEALS ON THE ISLAND HAVE TO SUBJUGATE THEIR INTERESTS TO THIS GOAL. AND IT IS BAD LUCK THAT THE RULES OF THE GAME OF INTERNATIONAL TIDE ARE UPSET DURING THIS PROCESS. THIS KIND OF POLICY REQUIRES A ROBUST (EUROPEAN) DEFENSE."

4. RIGHT-OF-CENTER BADISCHE ZEITUNG OF FREIBURG (7/17) DECLARES:

"JESSE HELMS IS THE NAME OF THE MAN FROM THE RIGHT UNCLAS SECTION 06 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE; STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR USIS AND USEC; EMBASSIES FOR USIS, LONDON ALSO FOR POL; USNATO ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR ECPAO, POLAD, CJ1-HN, ECJ5-E, ECPA; USSUPPORT ELEMENT HQ BALTAP ALSO FOR PIO/NATO; HQUSAF WASHDC ALSO FOR XXXX

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E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS

U.N.EU;BONN

CORNER OF THE U.S. SENATE WHO WANTS TO SHOW THE WIMPS IN EUROPE HOW TO ENFORCE ONE'S VIEWS. HE WANTS TO STARVE ECONOMICALLY COMMUNIST CUBA, THE REMAINS OF THE EVIL EMPIRE.' THOSE WHO ARE OF A DIFFERENT OPINION ARE ALSO BOYCOTTED, IRRESPECTIVE OF WHETHER TREATIES EXIST OR NOT. IF THIS PROCEDURE IS TRANSFERRED ONTO OTHER SECTORS...THE FREEDOM OF MOVEMENT OR FREE TRADE WILL SOON COME TO AN END JUST AS THE MUCH-PRAISED TRANSATLANTIC PARTNERSHIP WILL COME TO AN END. THIS IS WHY IT IS NECESSARY TO PUT UP RESISTANCE, FIRST OF ALL IN THE FRAMEWORK OF THE WTO AND, IF THIS IS TO NO AVAIL, VIA DIRECT COUNTER ACTIONS OF THE EU."

E. (CYPRUS) ALBRIGHT TO NICOSIA

WOLFGANG GUENTER LERCH SAYS IN AN EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE UNDER THE HEADLINE:

"ERBAKAN'S VIEW."

"FOR MORE THAN 20 YEARS, CYPRUS HAS BEEN DIVIDED INTO A GREEK SOUTH AND A TURKISH NORTH. ALL DIPLOMATIC EFFORTS TO OVERCOME THIS STATUS HAVE FAILED. THE AMERICANS IN PARTICULAR CONSIDER THIS BONE OF CONTENTION A THORN IN THEIR SIDE, BECAUSE IT PREVENTS A NARROWING OF VIEWS OR EVEN RECONCILIATION BETWEEN THE TWO NATO PARTNERS OF TURKEY AND GREECE. THE U.S. AMBASSADOR TO THE UNITED NATIONS, MADELEINE ALBRIGHT, HAS NOW DEPARTED FOR A MEDIATION MISSION. IN ATHENS, SHE WILL HEAR WELL KNOWN COMPLAINTS ABOUT TURKEY, AND THE SAME IS TRUE IN NICOSIA. IN THE PAST FEW YEARS, THE GREEK CYPRIOTS PRESENTED CONSTRUCTIVE PROPOSALS TO OVERCOME THE DIVISION, BUT THE TURKISH SIDE BRUSQUELY REJECTED ALL SUGGESTIONS. IT IS UNLIKELY THAT THE NEW MISSION WILL BE SUCCESSFUL. EVEN A RESOLUTE WOMAN LIKE MADELEINE ALBRIGHT WILL NOT PROMPT MR. ERBAKAN TO GIVE UP HIS OSMANIC VIEW OF THINGS...."

F. (U.N.) GENEVA CLIMATE CONFERENCE

LEFT-OF-CENTER DIE TAGESZEITUNG OF BERLIN (7/17) CARRIES A REPORT UNDER THE HEADLINE:

"FOR THE U.S. GOVERNMENT, THE CLIMATE IS GETTING TOO WARM - AT

THE GENEVA CLIMATE CONFERENCE, THE UNITED STATES ACKNOWLEDGES

FOR THE FIRST TIME THAT THE GREENHOUSE EFFECT IS MAN-MADE."

UNCLAS SECTION 07 OF 07 BONN 010517

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE;
STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO
PASS FSI/CSFA; FRG POSTS FOR USIS; BRUSSELS FOR UP3ezQgJ-h+_03?v N/A
TAGS: NONE
SUBJECT: MEDIA REACTION U.S.-RUSSIA BOSNIA U.S. CYPRUS
U.N.EU;BONN

" THIS IS A GREAT, GREAT STEP FORWARD,' SAID SASCHA MUELLER-KRAENNER OF THE GERMAN ENVIRONMENTAL ORGANIZATION DEUTSCHER NATURSCHUTZRING' REGARDING THE PAPER THAT (THE UNITED STATES) SUBMITTED AT THE GENEVA CLIMATE CONFERENCE. IN THIS PAPER, THE UNITED STATES, FOR THE FIRST TIME, ACKNOWLEDGES THAT HUMAN ACTIVITIES ARE AT LEAST CO-RESPONSIBLE FOR THE GREENHOUSE EFFECT. UNTIL NOW, THE UNITED STATES HAD ALWAYS DEMANDED FURTHER RESEARCH. IN ADDITION, THE UNITED STATES IS DRAWING THE CONCLUSIONS FROM THIS ADMISSION AND IS DEMANDING CONCRETE REDUCTION GOALS FOR CARBON DIOXIDE EMISSIONS. IT ALSO WANTS TO FIND AN AGREEMENT THAT IS INTERNATIONALLY BINDING (FOR ALL NATIONS).... THE COUNTRIES WHICH ARE TOTALLY OPPOSED TO (REDUCTIONS) ARE NOW ONLY AUSTRALIA AND THE OPEC COUNTRIES....

"BUT THE CLIMATE CONVENTION THAT WAS ADOPTED IN RIO STILL DOES NOT HAVE RULES OF PROCEDURE. THEY MUST BE UNANIMOUSLY ADOPTED - AND THIS WAS SOMETHING ON WHICH THE 150 PARTICIPATING COUNTRIES DID NOT FIND AN AGREEMENT IN BERLIN IN 1995. BUT NOW THAT THE GROUP OF ABSOLUTE NAY-SAYERS IS GETTING SMALLER, THE SUPPORTERS OF A TREATY COULD AMEND THE CONVENTION WITH THEIR THREE-QUARTERS MAJORITY AND DECIDE THAT THE RULES OF PROCEDURE NEED NOT BE ADOPTED UNANIMOUSLY...."

WUNDER

SECT: SECTION: 01 OF 07

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DIST:

SIT: BUJOLD

SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHLOA8731 2001219-UUUU--RHEHAAA.

LINE2: ZNR UUUUU ZZH

LINE3: O 181219Z JUL 96

LINE4: FM AMEMBASSY LONDON

OSRI: RUEHLO

DTG: 181219Z JUL 96

ORIG: AMEMBASSY LONDON

TO: RUEHIA/USIA WASHDC IMMEDIATE 6085

INFO: RUCNDT/USMISSION USUN NEW YORK 9757

RUEHUB/USINT HAVANA 1298

RUEHNO/USMISSION USNATO 8116

RUEATRS/DEPT OF TREASURY WASHDC

RUEHDC/USDOC WASHDC

RUEHOL/AMEMBASSY BONN 0930

RUEHBS/AMEMBASSY BRUSSELS 4609

RUEHBL/AMCONSUL BELFAST 9099

RUEHFR/AMEMBASSY PARIS 5814

RHDL/CNE/CINCUSNAVEUR LONDON UK//019//

RUEAIIA/CIA WASHDC

RUEKJCS/DIA WASHDC

RUDOVFA/3AF RAF MILDENHALL UK//PA//

RUEKJCS/SECDEF WASHDC

RUEHC/SECSTATE WASHDC 4713

RUEBBA/DOE WASHDC

RUEHVEN/USMISSION USVIENNA 9529

RHEHAAA/WHITEHOUSE WASHDC

RUEHRO/AMEMBASSY ROME 6050

RUEHMO/AMEMBASSY MOSCOW 6360

RUEHDL/AMEMBASSY DUBLIN 4814

SUBJ: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

BROADCAST MEDIA

CRASH OF TWA FLIGHT 800, NEW YORK

TEXT:

UNCLAS SECTION 01 OF 14 LONDON 008731

USIA

PERISHABLE INFORMATION - DO NOT SERVICE

USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL

LSECRET; B/TV/WP;

STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;

EUR/WE; EUR/NE; IO/CU; NEA/P; EB/TT; INR/P; PM; S/IR;

CSD ISA FOR ILN; FOR NEA; OASD/PA;

USDOC PASS USTR/PA

WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;

USMISSION USNATO FOR USIS

PARIS FOR USIS; UNESCO; OECD;

VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

BROADCAST MEDIA
CRASH OF TWA FLIGHT 800, NEW YORK

ALL NEWS BROADCASTS THIS MORNING WERE DOMINATED BY NEWS OF THE CRASH OF A TWA JUMBO JET, 40 MINUTES AFTER TAKE-OFF FROM JFK AIRPORT, AND THE SO-FAR FRUITLESS SEARCH FOR SURVIVORS FROM THE 229 PASSENGERS IN THE SEA OFF LONG ISLAND. THE FLIGHT HAD BEEN BOUND FOR PARIS.

BBC TV'S BREAKFAST NEWS IN PARTICULAR DEVOTED MUCH OF ITS PROGRAM THIS MORNING TO VARIOUS LIVE REPORTS ON THE INCIDENT.

ON THE PROGRAM'S NEWS BULLETIN AT 9.00, REPORTER MARK MCCORMACK SAID:

"THIS IS ALL THAT IS LEFT OF TWA FLIGHT 800: BURNING FUEL AND FLOATING DEBRIS IN THE ATLANTIC OCEAN, TEN MILES SOUTH OF LONG ISLAND. ...

"FROM THE LONG ISLAND COAST, PEOPLE HEARD AND SAW THE PLANE'S DESCENT. ... FOR THE RELATIVES AND FRIENDS OF THOSE ON BOARD, HOPES OF THERE BEING ANY SURVIVORS ARE FADING."

BEFORE THE PROGRAM SIGNED OFF AT AROUND 9.20, REPORTER SAM JAFFA SAID IN A LIVE LINK FROM NEW YORK:

"THERE HAS BEEN MUCH SPECULATION THAT THIS WAS CAUSED BY AN ACT OF TERRORISM. ... SPECULATION AS TO WHO MIGHT BE BEHIND THAT IS ONE STEP TOO FAR AT THE MOMENT."

AT AROUND 8.45, REPORTER ROB WATSON SAID IN A LIVE LINK FROM LONG ISLAND:

"WHAT IS NOW UNDER WAY IS A MASSIVE RESCUE OPERATION INVOLVING THE FBI, FAA, LOCAL POLICE AND THE NATIONAL TRANSPORT AND SAFETY BOARD. IT IS A HUGE OPERATION AND IT IS A VERY EERIE SPECTACLE. ... ALL THE RESCUE WORKERS I HAVE SPOKEN TO ARE EXTREMELY GLOOMY ... NONE OF THEM REALLY EXPECT TO FIND ANY SURVIVORS NOW."

EARLIER, REPORTER SAM JAFFA HAD SAID FROM NEW YORK:

"THERE ARE INDICATIONS THAT PERHAPS AN EXPLOSION DID HAPPEN. ... THERE HAS BEEN A LOT OF SPECULATION ABOUT SECURITY AT AIR PORTS THROUGHOUT THE U.S. RECENTLY. ... THERE IS NO WORD YET FROM THE STATE DEPARTMENT (AS TO THE POSSIBLE CAUSE). ... THE ONE THING THEY ARE CERTAIN OF IS THAT THERE WAS NO WARNING GIVEN BY THE CREW OF ANY IMPENDING DANGER-- THE PLANE SIMPLY DISAPPEARED FROM THE RADAR SCREENS ... AND ... PEOPLE ARE SAYING THAT IS

REMINISCENT OF FLIGHT 103 OVER LOCKERBIE. ...

"THE MASSIVE FIRE THAT WE CAN STILL SEE ... YOU CAN STILL QUITE CLEARLY SEE THE FLAMES SHOOTING UP FROM THE DEBRIS AND BURNING ON THE SURFACE OF THE WATER -- THAT AS WELL IS AN INDICATION OF SOMETHING PRETTY CATAclySMIC HAPPENING."

UNCLAS SECTION 02 OF 14 LONDON 008731

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
LSECREST; B/TV/WP;
STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;
EUR/WE; EUR/NE; IO/CU; NEA/P; EB/TT; INR/P; PM; S/IR;
CSD ISA FOR ILN; FOR NEA; OASD/PA;
USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

REPORTER TOM BROOK SAID FROM JFK AIRPORT:

"IT IS A VERY SOMBER AND DEPRESSING SCENE. ... RELATIVES OF PEOPLE ON THAT FLIGHT ARE STILL TURNING UP AT THE AIRPORT."

EARLIER, WASHINGTON CORRESPONDENT BRIDGET KENDALL SAID IN A LIVE LINK:

"HERE IN WASHINGTON THE STATE DEPARTMENT HAS SAID THAT ANY SPECULATION THAT THIS MIGHT BE AN EXPLOSION WHICH CAME FROM A BOMB ABOARD THE PLANE IS FAR TOO EARLY, AND THEY HAVE BEEN VERY EMPHATIC TO STRESS THAT IT IS NOT CLEAR AT ALL WHAT MIGHT HAVE CAUSED THIS TRAGEDY, THAT THERE NEEDS TO BE AN INVESTIGATION ... AND THAT IS BEING REINFORCED BY THE WHITE HOUSE."

ASKED IF THE FACT THAT PRESIDENT CLINTON HAD NOT YET PERSONALLY MADE A COMMENT ABOUT THE CRASH INDICATED HIS CONCERN, KENDALL REPLIED:

"HE IS NOT SAYING VERY MUCH AT THE MOMENT ABOUT THE CRASH BECAUSE IT IS VERY SOON AFTERWARDS, AND IT IS THE MIDDLE OF THE NIGHT HERE. WE WILL WAIT TO SEE WHETHER THE PRESIDENT HAS SOMETHING MORE TO SAY TOMORROW. ... BUT THERE IS CONCERN HERE ABOUT SECURITY, AND NOT LEAST BECAUSE OF THE OLYMPICS IN ATLANTA. ...

"JUST YESTERDAY, DEFENSE SECRETARY WILLIAM PERRY SAID

THEY WERE BRACING THEMSELVES FOR POSSIBLE FURTHER ATTACKS IN THE MIDDLE EAST AND, IF THAT IS THE CASE, THEN OF COURSE THEY MUST ALSO HAVE A WORRY ABOUT THE POSSIBILITY OF BEING TARGETED ON THE AMERICAN MAINLAND, OR THROUGH THE AIRLINES."

A. TODAY'S MAJOR NEWS STORIES

1. HELMS-BURTON; IRAN-LIBYA SANCTIONS
2. BOSNIA
3. U.S. POLITICS

B. SUMMARY

1. HELMS-BURTON; IRAN-LIBYA SANCTIONS
ONE EDITORIAL, ONE VERY DISAPPROVING BUT UNSERIOUS COMMENTARY, AND SEVERAL REPORTS. SEE TEXTS BELOW.
2. BOSNIA

ONE EDITORIAL. SEE TEXT BELOW.

3. U.S. POLITICS

A COUPLE OF ITEMS. SEE TEXT BELOW.

UNCLAS SECTION 03 OF 14 LONDON 008731

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E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

C. TEXT

1. HELMS-BURTON; IRAN-LIBYA SANCTIONS

"COOL IT OVER CUBA"

THE CONSERVATIVE DAILY TELEGRAPH EDITORIALIZED (7/18):

"PRESIDENT CLINTON'S DECISION TO DEFER THE IMPLEMENTATION
OF SANCTIONS AGAINST CUBA SHOULD ALLOW THE DEFUSING OF A

ROW WHICH WAS GETTING OUT OF HAND. A TRADE WAR BETWEEN THE U.S. AND ALLIES SUCH AS CANADA, MEXICO AND THE EU OVER A STRATEGICALLY INSIGNIFICANT CARIBBEAN ISLAND WOULD BE ABSURD. WHEN CUBA WAS A SOVIET SATELLITE, PARTICULARLY AT THE TIME OF THE MISSILE CRISIS IN 1962, IT DID PRESENT A THREAT TO ITS GIANT NEIGHBOR. SINCE THE END OF THE COLD WAR, HOWEVER, IT HAS BECOME A PATHETIC PIECE OF FLOTSAM FROM THE WRECK OF COMMUNISM AS A GLOBAL IDEOLOGY. FIDEL CASTRO'S REGIME IS UNDOUBTEDLY DICTATORIAL, AND THIS MUST AFFRONT AN ADMINISTRATION WHICH HAS MADE THE PROMOTION OF DEMOCRACY A PLANK OF ITS FOREIGN POLICY. YET IT IS DOUBTFUL WHETHER THE CUBAN LIBERTY AND SOLIDARITY ACT, INTRODUCED BY SEN JESSE HELMS AND REPRESENTATIVE DAN BURTON, WILL FURTHER THAT GOAL. FAR FROM TOPPLING PRESIDENT CASTRO, TOUGHER SANCTIONS AGAINST CUBA ARE MORE LIKELY TO BOOST HIS DOMESTIC STATUS AS A DEFENDER OF THE ISLAND'S INDEPENDENCE. RATHER, IT COULD BE ARGUED THAT THE LIFTING OF THE 35-YEAR-OLD AMERICAN EMBARGO ON CUBA WOULD HAVE A MUCH MORE DESTABILISING EFFECT ON HAVANA THAN A TIGHTENING OF SANCTIONS.

"THE IMPLEMENTATION OF THE HELMS-BURTON MEASURE IS AN EXAMPLE OF A WEAK ADMINISTRATION FEELING OBLIGED TO RESPOND QUICKLY AND REACHING FOR THE FIRST INSTRUMENT TO HAND. ...

"IF MR CLINTON HAS VACILLATED, THE EU HAS SUCCUMBED TO RECKLESS ANTI-AMERICAN RHETORIC. WASHINGTON'S ATTITUDE, PARTICULARLY TOWARDS AN ISLAND WHICH IT REGARDS AS PART OF ITS DOMESTIC AGENDA, MAY BE EXCESSIVELY MORALISTIC AND AT ODDS WITH NORMAL COMMERCIAL PRACTICE. BUT THE EU HAS CHOSEN TO IGNORE THE NASTINESS OF THE CUBAN DICTATORSHIP AND CONCERN ITSELF ONLY WITH MATERIAL SELF-INTEREST. IT IS UNDERSTANDABLE THAT SPAIN, FRANCE AND ITALY, AS THE MEMBERS WITH MOST TO LOSE FINANCIALLY FROM THE TIGHTENING OF SANCTIONS, SHOULD LEAD THE CHORUS AGAINST WASHINGTON, BUT IT IS DISMAYING TO SEE BRITAIN GOING ALONG WITH IT. MALCOLM RIFKIND, THE FOREIGN SECRETARY, HAS SPOKEN ABOUT REINVIGORATING THE RELATIONSHIP BETWEEN THE U.S. AND EUROPE. ENTERING INTO AN UNNECESSARY TRADE WAR OVER CUBA IS HARDLY THE WAY TO GO ABOUT IT.

"MR CLINTON HAS GIVEN HIMSELF A BREATHING-SPACE AND HIS CRITICS TIME TO STEP BACK FROM THE BRINK. THE HELMS-BURTON ACT IS AN ILL-ADVISED MEASURE WHICH ENDANGERS AMERICA'S RELATIONSHIP WITH ITS ALLIES WITHOUT UNDERMINING PRESIDENT CASTRO. NEVERTHELESS, THOSE ALLIES SHOULD BE MORE UNDERSTANDING OF AMERICAN SENSITIVITIES
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OVER CUBA AND ESCHEW THE MEGAPHONE DIPLOMACY OF THE PAST
FEW DAYS. IT IS TIME TO COOL IT."

"EUROPE REACTS COOLLY TO CLINTON DELAYING TACTICS"

THE LIBERAL GUARDIAN REPORTED (7/18):

"BRITAIN AND ITS EURO- PEAN UNION PARTNERS YESTERDAY GAVE A
COOL WELCOME TO PRESIDENT BILL CLINTON'S TEMPORARY
COMPRO- MISE OVER CUBAN SANCTIONS BUT SAID THAT
RETALIATION WAS STILL ON THE CARDS.

"PRESIDENT CLINTON ORDERED THE ANTI-CUBA MEASURES TO COME
INTO FORCE BUT DELAYED THE PRACTICAL IMPACT FOR SIX
MONTHS TO APPEASE ALLIES WHO THREATENED TIT-FOR-TAT
ACTION.

"SPAIN, GERMANY AND IRE- LAND ALL CALLED THE DECISION A
"STEP IN THE RIGHT DIRECTION", WHILE DICK SPRING, THE
IRISH FOREIGN MINISTER AND PRESI- DENT OF THE EU COUNCIL
OF MIN- ISTERS, SPOKE OF A "TURNAROUND IN EUROPEAN
UNION/UNITED STATES RELATIONS".

"MALCOLM RIFKIND, THE FOR- EIGN SECRETARY, SAID HE WAS
GLAD THE US HAD "PULLED BACK FROM THE BRINK" BUT
REGRETTED THE DECISION NOT TO WAIVE OTHER PARTS OF THE
LAW.

"IAN LANG, THE TRADE SECRE- TARY, WARNED THAT BRITAIN AND
OTHER EU MEMBERS COULD STILL IMPOSE VISA RESTRICTIONS ON
US CITIZENS AND TAKE OTHER MEASURES AGAINST US FIRMS
OPERATING IN EUROPE.

"'IT'S NOT THE KIND OF RANGE OF ACTIVITIES ONE SEEKS TO
GET IN- VOLVED IN BUT WE CANNOT LEAVE OUR OWN INTERESTS
UNPRO- TECTED AND WE MUST BRING HOME TO THE AMERICANS THE
UNACCEPTABLE NATURE OF WHAT THEY HAVE BEEN DOING, ' HE
SAID.

"BRITAIN AND OTHER EU MEM- BERS ARE DISTURBED BY THE
GROWING TREND IN THE US FOR FOREIGN POLICY AND TRADE
ISSUES TO BE DRIVEN BY DOMES- TIC POLITICAL
LOBBIES--WHICH BECOME MORE POWERFUL IN AN ELECTION YEAR
-- AND THEN FORCED UNILATERALLY ON ALLIES.

"'IT IS NOT A SATISFACTORY SO- LUTION, ' A EUROPEAN UNION

OFFICIAL SAID. "ON MONDAY THE HELMS-BURTON ACT WAS NOT LAW AND ON WEDNESDAY IT IS. IS THAT SUPPOSED TO BE GOOD NEWS FOR US?"

"THE ANTI-CUBA MEASURES-- PART OF THE SO-CALLED HELMS-- BURTON ACT--ALLOW LAWSUITS TO BE FILED IN US COURTS AGAINST FOREIGN FIRMS THAT OWN OR OPERATE THE PROPERTIES SEIZED BY CUBA FROM US CITIZENS WHO WERE CUBAN NATIONALS BEFORE FLEEING THE 1959 COMMUNIST REVOLUTION. US ALLIES HAVE PROTESTED BITTERLY, SAYING MANY COMPANIES WOULD FACE LEGAL CLAIMS AGAINST BIG INVESTMENTS, SUCH AS HOTELS AND MINES.

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"BUT OPTIMISTS BELIEVE THE WORST OF THE ROW MAY NOW BE OVER. "I WOULD EXPECT THE SITUATION IN WASHINGTON TO LOOK VERY DIFFERENT IN SIX MONTHS TIME," ONE DIPLOMAT SAID. "FOR A START WE WILL HAVE PASSED THE PRESIDENTIAL ELECTION AND THE POLITICAL BALANCE IN CONGRESS IS ALSO LIKELY TO BE DIFFERENT."

"THE CANADIAN FOREIGN AFFAIRS MINISTER, LLOYD AXWORTHY, SAID THAT MR CLINTON'S COMPROMISE APPEARED AIMED AT SILENCING DOMESTIC CRITICISM UNTIL AFTER THE ELECTION.

"A EUROPEAN COMMISSION OFFICIAL OBSERVED: 'WE HAVE TO STOP THIS KIND OF EXTRA-TERRITORIAL LEGISLATION IN ITS TRACKS NOW OVER CUBA OR FACE A REALLY DANGEROUS ESCALATION IN TRANSATLANTIC TENSIONS IF WE GET THE HELMS-BURTON PRINCIPLE APPLIED MORE GENERALLY. THERE IS TOO MUCH AT STAKE TO ALLOW TRADE CONFLICTS OF THIS KIND TO UNDERMINE THE EUROPEAN/AMERICAN PARTNERSHIP.'"

(REPRODUCED IN FULL)

"SANCTIONS BILL LIKELY TO INFURIATE EU"

THE SAME PAPER SAID IN A SEPARATE ITEM (7/18):

"NEW TRADE ROWS BETWEEN BRITAIN, ITS EUROPEAN UNION PUTS THE FINISHING TOUCHES TO LEGISLATION THAT WILL PUNISH NON-AMERICAN COMPANIES INVESTING IN IRAN AND LIBYA.

"AFTER TUESDAY'S UNEASY TRUCE OVER THE HELMS-BURTON LAW ON CUBA, DIPLOMATS AND BUSINESSMEN ARE BRACED FOR TROUBLE OVER THE D'AMATO-- KENNEDY PACKAGE THAT WILL PENALIZE FIRMS WHICH DEFY WASHINGTON'S ATTEMPTS TO ISOLATE THESE TWO "PARIAH" REGIMES.

"'THERE ARE GOING TO BE PROB- LEMS,' SAID ONE US OFFICIAL. 'IT'S CLEAR THAT THE CONFRONTA- TION OVER HELMS-BURTON HAS BEEN LARGELY A MATTER OF PRIN- CIPLE. BUT THERE IS MUCH GREATER SCOPE FOR DAMAGING EUROPEAN INTERESTS ON D'AMATO AND KENNEDY.'

"THE BILL, SUPPORTED BY THE CLINTON ADMINISTRATION, OUT- LINES SANCTIONS AGAINST FOR- EIGN FIRMS THAT INVEST \$40 MIL- LION (26 MILLION) OR MORE IN THE ENERGY SECTORS OF LIBYA AND IRAN. BOTH ARE ON THE STATE DEPARTMENT LIST OF COUNTRIES THAT SUPPORT INTERNATIONAL TERRORISM AND THE US HAS UNILATERALLY OUTLAWED TRADE WITH THEM.

"THE HOUSE AND SENATE EACH HAVE THEIR OWN VERSION OF THE BILL, WHICH HAS ALREADY BEEN WATERED DOWN AFTER BRITISH, EU AND ADMINISTRATION LOBBYING. THE TWO CHAMBERS MUST WORK OUT COMPROMISE LEGISLATION.

"THE LEGISLATION, EXPECTED WITHIN WEEKS, IS LESS DRACO- NIAN THAN THE HELMS-BURTON LAW. IT DOES NOT ALLOW U.S. NATIONALS TO SUE NON-U.S FIRMS OR FOR VISA EXCLUSIONS.
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BUT IT IS AN EXTENSION OF THE CONTROVERSIAL PRINCIPLE OF
'EXTRA-TERRITORIALITY' THAT BRITAIN AND THE EU SO
VEHEMENTLY OPPOSE.

"IT'S NOT ACCEPTABLE BUT IT'S CERTAINLY LESS DAMAGING THAN IT WAS,' SAID A FOREIGN OFFICE SOURCE.

"AS DRAFTED AT PRESENT WE DON'T THINK IT WILL RESOLVE CON- CERNs ABOUT IRAN AND LIBYA,' SAID ANOTHER WHITEHALL OFFI- CIAL. 'INTERFERING IN THE LEGITI- MATE BUSINESS INTERESTS OF THIRD COUNTRIES IS UNACCEPT- ABLE IN PRINCIPLE TO THE UK.'

"THE STAKES ARE FAR HIGHER THAN OVER CUBA, BECAUSE OF THE SIZE OF INVESTMENTS IN LIBYA BY BIG EUROPEAN OIL AND GAS COMPANIES SUCH AS ITALY'S AGIP, REPSOL OF SPAIN AND SEVERAL AUSTRIAN AND GERMAN COMPANIES. IN BRITAIN, SHELL COULD ALSO FACE PROBLEMS.

"POSSIBLE SANCTIONS BY THE US INCLUDE DENYING EXPORT-- IMPORT BANK LOANS, DENYING EXPORT LICENSES, BARRING US BANKS FROM MAKING LOANS OF MORE THAN \$10 MILLION (6.5 MILLION) A YEAR TO SANC- TIONED PARTIES, BARRING SANC- TIONED FINANCIAL INSTITUTIONS FROM BEING PRIMARY DEALERS OF US GOVERNMENT BONDS, BAN- NING US GOVERNMENT PROCURE- MENT OF GOODS AND SERVICES FROM SANCTIONED ENTITIES AND IMPOSING IMPORT SANCTIONS.

"US OFFICIALS INSIST THAT THE PROPOSED MEASURES COMPLY WITH THE RULES OF THE WORLD TRADE ORGANIZATION THOUGH THEY COULD VIOLATE CODES OF PRACTICE LAID DOWN BY THE ORGANIZATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT.

"WE HAVE A VERY SIGNIFICANT INTEREST IN TRADING WITH LIBYA, AND THE AMERICANS PROMOTING IT AS A TARGET IS A SOURCE OF CONCERN,' ONE BRIT- ISH BUSINESSMAN SAID LAST NIGHT. 'BUT BECAUSE OF THE FRENCH AND ITALIANS AND THE RUFFLED FEATHERS OVER CUBA, THE US WON'T CARRY THE SAME WEIGHT ON LIBYA AS IT DID BEFORE.'

"BRITAIN IS ARGUING THAT, BY ACTING UNILATERALLY AGAINST LIBYA, WASHINGTON WILL WEAKEN THE RESOLVE OF OTHER COUNTRIES--NOT STRONG AT THE BEST OF TIMES--TO ABIDE BY THE LIMITED UN SANCTIONS ALREADY IN FORCE OVER THE LOCK- ERBIE BOMBING AFFAIR.

"ON IRAN, US OFFICIALS REJECT CRITICISM BY ARGUING THAT THE EU, WHICH MAINTAINS A "CRITI- CAL DIALOGUE" WITH TEHRAN, HAS DONE LITTLE TO HELP ISOLATE IT OVER ITS SUPPORT FOR TERRORISM AND NUCLEAR AMBITIONS. GERMANY, IRAN'S BIGGEST TRADING PARTNER, IS ESPECIALLY VULNERABLE ON THIS POINT."

"US FACES SECOND SANCTIONS DISPUTE WITH EU"

THE INDEPENDENT FINANCIAL TIMES SAID IN A FRONT PAGE REPORT (7/18):

"THE US WAS HEADING YESTERDAY FOR ANOTHER CONFRONTATION
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WITH ITS EUROPEAN TRADING PARTNERS OVER PLANS FOR
SANCTIONS AGAINST COMPANIES INVESTING IN LIBYA AND IRAN,
ONLY A DAY AFTER DEFUSING A CONFLICT OVER CONTROVERSIAL
ANTI-CUBAN LEGISLATION.

"THE DANGER OF A FRESH DISPUTE FOLLOWS APPROVAL BY THE US
SENATE OF AN AMENDMENT TO TOUGHEN PROPOSED LAWS FOR
PUNITIVE MEASURES AGAINST FOREIGN COMPANIES INVESTING
IN THE LIBYAN AND IRANIAN OIL INDUSTRIES.

"THE AMENDMENT WAS PASSED AS EUROPEAN UNION AMBASSADORS
PREPARED TO MEET IN BRUSSELS TO DISCUSS PLANS FOR
POSSIBLE RETALIATION AGAINST US LEGISLATION DESIGNED TO
PENALIZE FOREIGNERS OPERATING IN CUBA.

"PRESIDENT BILL CLINTON ON TUESDAY BOWED TO WIDESPREAD
INTERNATIONAL PROTESTS OVER THE CUBA LEGISLATION - THE
HELMS-BURTON ACT - BY DELAYING FOR SIX MONTHS THE RIGHT
TO BRING COURT CASES AGAINST COMPANIES "TRAFFICKING" IN
CONFISCATED CUBAN ASSETS.

"HOWEVER, EU OFFICIALS SAID MR CLINTON'S DECISION HAD NOT
REMOVED THEIR OBJECTIONS TO THE ACT OR THEIR CONCERN THAT
THE US WAS INCREASINGLY ATTEMPTING TO IMPOSE ITS WILL BY
APPLYING ITS LAWS BEYOND ITS BORDERS.

"THEY SAID THERE WAS STRONG SUPPORT IN THE EU FOR
REPRISALS AGAINST THE US. HOWEVER, THERE WAS NO AGREEMENT
ON WHETHER THEY SHOULD BE PUT INTO EFFECT IMMEDIATELY OR
HELD IN RESERVE.

"MR IBN LANG, THE UK TRADE AND INDUSTRY SECRETARY, SAID
SANCTIONS AGAINST THE US WERE 'QUITE POSSIBLE. WE'RE
LOOKING AT VARIOUS OPTIONS.'

"THE EU HAS TOLD WASHINGTON IT WILL REACT STRONGLY IF THE
US ENACTS LEGISLATION AGAINST IRAN AND LIBYA WHICH
THREATENS EUROPEAN COMPANIES. UNTIL RECENTLY, BRUSSELS
BELIEVED THAT IT HAD SUCCEEDED IN GETTING CONGRESS TO
WATER DOWN ITS PROPOSALS.

"HOWEVER, THIS WEEK'S SENATE VOTE HAS RENEWED DOUBTS. THE AMENDMENT GOES BEYOND A BILL ALREADY PASSED BY THE HOUSE OF REPRESENTATIVES BY COMPELLING -- - RATHER THAN ENTITLING -- THE PRESIDENT TO ENFORCE SANCTIONS ON COMPANIES INVESTING IN LIBYA.

"IT REQUIRES THE PRESIDENT TO IMPOSE SANCTIONS ON OFFENDERS FROM A LIST OF OPTIONS, INCLUDING EXPORT AND IMPORT BANS ON COMPANIES, DENIAL OF US BANK LOANS AND EXPORT-IMPORT BANK CREDITS, AND EXCLUSION FROM US GOVERNMENT CONTRACTS. THE VOTE WAS WELCOMED BY SENATOR AL D'AMATO, SPONSOR OF THE IRAN-LIBYA BILL. "OUR ALLIES MUST UNDERSTAND THAT WE MUST FIGHT TERRORISM WITH ACTION, NOT JUST PLATITUDES. HOWEVER, THEY SEEM TO BE MORE INTERESTED IN PROFITS THAN IN CLOSING DOWN TERRORIST REGIMES."

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"THE FINAL SHAPE OF THE LEGISLATION WILL DEPEND ON
WHETHER THE HOUSE ACCEPTS THE AMENDMENT."

(REPRODUCED IN FULL)

"EU WEIGHS CURBS ON AMERICANS OVER CUBA POLICY"

THE CONSERVATIVE TIMES REPORTED (7/18):

"THE EUROPEAN UNION TOLD WASHINGTON YESTERDAY IT WAS NOT
SATISFIED WITH PRESIDENT CLINTON'S COMPROMISE ON ITS NEW
CUBAN TRADE LAW AND SAID IT WOULD CONTINUE TO PREPARE
RETALIATORY ACTION AGAINST AMERICAN BUSINESS INTERESTS.

"BRITAIN SAID THE EU COULD STILL IMPOSE SANCTIONS AGAINST
THE UNITED STATES, EVEN THOUGH WASHINGTON HAS DELAYED FOR
SIX MONTHS ANTI-CUBAN MEASURES WHICH COULD DAMAGE
EUROPEAN FIRMS. IAN LANG, THE PRESIDENT OF THE BOARD OF
TRADE, TOLD BBC RADIO: 'THAT'S QUITE POSSIBLE. WE'RE
LOOKING AT VARIOUS OPTIONS.'

"MR LANG SAID BRITAIN AND OTHER EU MEMBERS COULD IM- POSE VISA RESTRICTIONS ON US CITIZENS AND TAKE OTHER MEASURES AGAINST AMERICAN FIRMS OPERATING IN EUROPE. 'IT'S NOT THE KIND OF RANGE OF ACTIVITIES ONE SEEKS TO GET INVOLVED IN BUT WE CANNOT LEAVE OUR OWN INTERESTS UNPROTECTED AND WE MUST BRING HOME TO THE AMERICANS THE UNACCEPTABLE NATURE OF WHAT THEY HAVE BEEN DOING."

"DICK SPRING, THE IRISH FOREIGN MINISTER, WELCOMED MR CLINTON'S DECISION TO STEP BACK FROM THE BRINK AND CALL A SIX-- MONTH SUSPENSION ON ACTION AGAINST FOREIGN COMPANIES. MR SPRING, WHO WAS IN THE EUROPEAN PARLIAMENT AS THE CURRENT PRESIDENT OF EU FOREIGN MINISTERS, NOTED THAT TITLE ILL OF THE HELMS-BURTON ACT HAD STILL COME INTO FORCE. THIS ALLOWS AMERICANS TO SUE FOREIGN COMPANIES THAT BENEFIT FROM US ASSETS IN CUBA EXPROPRIATED BY PRESIDENT CASTRO'S GOVERNMENT. 'IT DOES NOT REMOVE THE EXTRA-TERRITORIAL EFFECT OF THE LEGISLATION, NOR DOES IT REMOVE THE RESTRICTIONS WHICH HAVE BEEN APPLIED TO EUROPEAN BUSINESSMEN,' THE IRISH FOREIGN MINISTER SAID.

"THE COMMISSION, WHICH ACTS FOR THE 15 MEMBER STATES IN FOREIGN TRADE, SAID THE ACT REMAINED A "SWORD OF DAMOCLES" OVER EUROPEAN BUSINESSMEN. IT WAS DAMAGING FOR CONFIDENCE THAT LIABILITY WOULD ACCUMULATE UNDER THE HELMS-- BURTON MEASURE EVEN THOUGH LEGAL ACTION WAS FROZEN, IT STATED. THE EU WAS PROCEEDING ON A COURSE OF COUNTER- MEASURES, A SPOKESMAN FOR SIR LEON BRITTAN, THE TRADE COMMISSIONER, SAID.

"THE CLINTON ADMINISTRATION REACTED WITH DISAPPOINTMENT LAST NIGHT TO BRITISH AND EUROPEAN INTENTIONS TO MAINTAIN A RETALIATORY POSITION. 'THIS IS AN UNFORTUNATE REACTION FROM THE EUROPEANS.' SAID A SENIOR OFFICIAL IN THE NATIONAL SECURITY COUNCIL. 'THE POINT OF THIS UNCLAS SECTION 09 OF 14 LONDON 008731

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DECISION WAS TO WORK WITH AND NOT AGAINST THE ALLIES AND THE PRESIDENT MADE A VERY TOUGH POLITICAL DECISION. IN VIEW OF THE ELECTION, HE COULD HAVE JUST GONE AHEAD WITH TITLE 111.'

"THE STATE DEPARTMENT URGED EUROPE, CANADA AND MEXICO TO FUND GROUPS THAT FOSTER HUMAN RIGHTS IN CUBA TO WITHHOLD NON-HUMANITARIAN ASSISTANCE FROM THE REGIME AND PROMOTE A SEPARATE SYSTEM OF BUSINESS PRACTICES WHEN DEALING WITH HAVANA. 'WE NEED TO GET OUR ALLIES MORE INVOLVED IN THE EFFORT TO PROMOTE DEMOCRACY AND HUMAN RIGHTS IN CUBA,' NICHOLAS BURNS, THE SPOKESMAN, SAID.

"OVER THE NEXT FEW MONTHS, BEFORE THE FEBRUARY 1 DEADLINE WHEN THE ISSUE WILL BE REVISITED, THE ADMINISTRATION WILL ORGANIZE A DIPLOMATIC INITIATIVE IN EUROPE TO DISCUSS ALTERNATIVE MEANS OF ISOLATING DR. CASTRO."

(REPRODUCED IN FULL)

"US BULLYING: THE SECRET OF CASTRO'S SURVIVAL"

WRITING IN THE CENTRIST INDEPENDENT, COLUMNIST MILES KINGTON OPINED (7/18):

"THERE WAS A HEADLINE IN THE INTERNATIONAL HERALD TRIBUNE ON TUESDAY SAYING: 'U.S. SLAMS CUBAN COMMUNISM'. THE IHT IS A PAPER I ADMIRE, BUT FOR ONCE THEY PICKED A HEADLINE THAT HAD ALL THE NEWS VALUE OF A HEADLINE SAYING 'SUMMER WARMER THAN WINTER', OR 'NO CURE FOUND FOR COMMON COLD'.

"YES, AMERICA IS GOING THROUGH ITS POST-COLD WAR SERIES OF NERVOUS TICS AGAIN AND IS TRYING TO WORK UP THE FREE WORLD AGAINST THE THREAT OF BEING OVERRUN BY CUBAN MARXISM, AND HAS STARTED ENACTING MORE TRADE EMBARGOES AGAINST ANYONE WHO HAS EVER DONE BUSINESS WITH ANYONE IN CUBA WHO PAYS TAXES TO FIDEL CASTRO, AND THE WHOLE WORLD YAWNS.

"THIS DOES NOT, OF COURSE, DETER THE AMERICANS. LIKE BRIGHT SHINY-FACED DOOR-TO-DOOR CHRISTIAN SALESMEN, THE AMERICANS ARE NEVER DETERRED BY FAILURE OR THE SPECTACLE OF THE WORLD COLLECTIVELY YAWNING AND LOOKING AT ITS WATCH.

"TO QUOTE MR MICHAEL MCCURRY, WHITE HOUSE SPOKESMAN, 'WE WOULD SAY TO OUR ALLIES: 'JOIN US NOW IN THE EFFORT TO CONFINE CUBAN COMMUNISM TO THE TRASH BIN OF HISTORY WHERE IT BELONGS'."

"WELL, I WOULD SAY TO MR MICHAEL MCCURRY, SPOKESMAN FOR THE WHITE HOUSE: 'GROW UP, BEFORE IT'S TOO LATE'."

"THE FACT OF THE MATTER IS THAT FOR SOME 40 YEARS THE MOST POWERFUL NATION IN THE WORLD (BY WHICH I MEAN THE USA, THOUGH THE TITLE IS PROBABLY THERE FOR JAPAN'S TAKING IF IT COULD ONLY BE BOTHERED), HAS BEEN TRYING TO

CONFINE CUBAN COMMUNISM TO THE TRASH BIN OF HISTORY.
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USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

"FOR 40 YEARS THE AMERICANS HAVE BEEN HUFFING AND PUFF-
ING AND TRYING TO BLOW THE CUBANS' HOUSE DOWN, AND
ALTHOUGH THEY HAVE BROUGHT MISERY TO CUBA, AND POVERTY,
AND DEPRIVATION, THEY HAVE NOT CONFINED CUBAN COMMUNISM
TO THE TRASH BIN OF HISTORY.

"NOR HAVE THEY NOTICED WHY THEY HAVE FAILED.

"THE REASON THEY HAVE FAILED IS THAT WHENEVER THE
AMERICANS SET OUT TO TOPPLE A BIG BAD GUY, THAT GUY IS
THEREBY STRENGTHENED IN HIS POSITION.
"BEING CONDEMNED TO DEATH BY THE AMERICANS IS THE SECRET
OF LONG LIFE. THE AMERICANS HAVE SWORN TO OUST SADDAM
HUSSEIN. THE AMERICANS HAVE SWORN TO OUST COLONEL
GADDAFI. THE AMERICANS HAVE SWORN OVER 40 YEARS TO OUST
FIDEL CASTRO. RESULT? THESE THREE MEN HAVE BECOME THE
BEST ESTABLISHED LEADERS IN THE WORLD.

"THE CONVERSE IS TRUE ALSO. THE AMERICANS HAVE THROWN
THEIR SUPPORT BEHIND WORLD LEADERS THEY TRUST, SUCH AS
GORBACHEV, THE SHAH, MARCOS, AND WHOEVER IT WAS IN
CHARGE OF SOUTH VIETNAM BEFORE THE AMERICANS DECIDED TO
SUPPORT HIM. RESULT? THEY ARE ALL OUSTED.

"INDEED, IN THE CASE OF EVERYONE EXCEPT GORBACHEV, THEY
ARE ALL DEAD.

"THERE WAS A TIME WHEN THE AMERICANS THREW THEIR WEIGHT
BEHIND THE LAST RULER OF CUBA, SENOR BATISTA, WHO WAS A
VICIOUS AND CORRUPT GANGSTER IN THRALL TO THE MAFIA. HE
PAID THE PRICE FOR BEING BACKED BY THE AMERICANS. HE
FELL. HE DIED.

"THE ONLY TIME I HAVE EVER BEEN TO FLORIDA, HOME OF CUBAN
EMIGRE VOTERS, I GOT TALKING TO A LEBANESE TAXI DRIVER

WHO, ONCE HE HAD ESTABLISHED THAT I WAS EUROPEAN, SAID TO ME IN A LOUD WHISPER: "WHAT YOU HAVE TO UNDERSTAND ABOUT THE AMERICANS IS THAT THEY ARE LIKE CHILDREN. THEY HAVE BIG BODIES AND LITTLE MINDS. THEY DRINK A LOT OF ORANGE JUICE TO MAKE THEIR BODIES STRONG, BUT THEY HAVE NO ORANGE JUICE FOR THEIR MINDS." ...

"A LOT OF THE THINGS IN THE WORLD I MOST ADMIRE HAVE COME FROM AMERICA, BUT I DO THINK THAT MY LEBANESE TAXI DRIVER ... HAS A GOOD POINT. THERE IS SOMETHING VERY CHILD-LIKE ABOUT THE AMERICANS. AND IT ISN'T THE CHERUBIC CHILD-LIKE QUALITY OF INNOCENCE. IT IS THE CHILD-LIKE QUALITY OF BEING A PLAYGROUND BULLY.

"AND, WHEN IT COMES TO GANGING UP ON FIDEL CASTRO, AN EXCEEDINGLY SECOND-RATE AND INEFFECTIVE PLAYGROUND BULLY."

2. BOSNIA

"ARREST THE WAR CRIMINALS. THEY MUST BE FOUND EVEN IF NATO HAS TO STAY ON."
UNCLAS SECTION 11 OF 14 LONDON 008731

USIA

PERISHABLE INFORMATION - DO NOT SERVICE
USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
LSECREST; B/TV/WP;
STATE FOR EUR/P AND PLS PASS ACDA/PA; EUR/PA; EUR/P/SP;
EUR/WE; EUR/NE; IO/CU; NEA/P; EB/TT; INR/P; PM; S/IR;
CSD ISA FOR ILN; FOR NEA; OASD/PA;
USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

THE LIBERAL GUARDIAN EDITORIALIZED (7/18):

"THE MUSLIMS WERE LINED UP ON ONE SIDE OF A DIRT ROAD 17 MILES NORTHWEST OF SREBRENICA. SOME HAD THEIR HANDS TIED WITH WIRE BEHIND THEIR BACKS. BOSNIAN SERBS GUNNED THEM DOWN FROM THE OTHER SIDE, WHERE THE GROUND IS NOW COATED WITH SPENT BULLET CASINGS. A YEAR LATER, INTERNATIONAL WAR CRIMES INVESTIGATORS ARE DIGGING OUT THE CRUMBLING BODIES IN A MUGGY HEAT, SURROUNDED BY A CLOUD OF BUGS AND BUTTERFLIES. THEY HAVE ALREADY EXHUMED 86 BODIES IN THIS SINGLE MASS GRAVE: THERE ARE MORE.

"THIS IS THE INHUMAN REALITY, SOBERLY CONVEYED IN NEWS AGENCY REPORTS, BEHIND THE NEW DRIVE TO EXPOSE, DEPRIVE

XOF INFLUENCE AND IF POSSIBLE ARREST THE PROMINENT SERB WAR CRIMINALS ULTIMATELY RESPONSIBLE FOR THESE AND OTHER MASSACRES. THE US ENVOY RICHARD HOLBROOKE, ARCHITECT OF THE DAYTON PEACE ACCORDS, WAS IN BELGRADE YESTERDAY, TRYING TO MAKE UP LOST GROUND. ARTICLE IX OF DAYTON SAYS THAT ALL PARTIES SHOULD COOPERATE IN THE INVESTIGATION AND PROSECUTION OF WAR CRIMES--A COMMITMENT IGNORED BY THE BOSNIAN SERBS AND TREATED PERFUNCTORILY BY PRESIDENT SLOBODAN MILOSEVIC. FULL COMPLIANCE WITH THIS PROVISION WOULD PROBABLY PUT MR MILOSEVIC IN THE DOCK AS WELL AS RADOVAN KARADZIC AND RATKO MLADIC. INSTEAD, AS THE UN HIGH REPRESENTATIVE CARL BILDT HAS JUST REPORTED, THE TERRITORY OF SERBIA'S CLIENT STATE, THE REPUBLIC OF SRPSKA, IS HARBORING UP TO 50 INDICTED WAR CRIMINALS. (A FURTHER 15 ARE ON THE TERRITORIES CONTROLLED BY THE SARAJEVO GOVERNMENT OR CROATIA).

"MR HOLBROOKE IS SEEKING A LESSER, BUT STILL SUBSTANTIAL, DEGREE OF COMPLIANCE--SO FAR AVOIDED BY THE SERBS -- WHICH WOULD ENSURE THAT NO SUCH PERSONS ARE INVOLVED IN THE FORTHCOMING ELECTIONS. MR KARADZIC HAS SO FAR WRIGGLED HIS WAY OUT OF THIS COMMITMENT, AND MR HOLBROOKE INTENDS, IT IS SAID, TO "KNOCK HIM OFF THE POLITICAL MAP." THIS IS AN IRREDUCIBLE AIM, AND COUNTER-THREATS BY THE BOSNIAN SERBS MUST BE RESISTED OR ELSE A NEW CYCLE OF BLACKMAIL AND CONCESSIONS WILL BEGIN. ...

"IT IS TRUE THAT THE NATO PEACEKEEPING FORCE IS NOT CURRENTLY MANDATED TO HUNT DOWN ALLEGED WAR CRIMINALS BUT ONLY TO ARREST THEM IF THEY HAPPEN TO BE ENCOUNTERED. NOW THAT WARRANTS HAVE BEEN ISSUED FROM THE HAGUE, THE PROBLEM CAN NO LONGER BE DODGED. THE NATO FORCES TOOK OVER IN BOSNIA CLAIMING THEY WOULD ACT MORE DECISIVELY THAN THE MUCH-MALIGNED UN. ON THIS ISSUE THEY HAVE SAT ON THEIR HANDS. INSTEAD THEY SHOULD SATURATE WITH TROOPS THE AREAS FREQUENTED BY THOSE UNDER INDICTMENT SO THAT ARRESTS CAN TAKE PLACE IN THE COURSE OF NORMAL OPERATIONS. ANOTHER POSSIBILITY IS--AS FRANCE HAS SUGGESTED --TO STRENGTHEN THE SECURITY COUNCIL MANDATE. YESTERDAY'S STATEMENT BY THE NATO SECRETARY-GENERAL THAT "THE ROAD BETWEEN THE HAGUE AND PALESTINE IS GETTING SHORTER" WAS A STEP IN THE RIGHT DIRECTION--IF IT IS MORE THAN COSMETIC.

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USIA

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USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

SUBJECT: MEDIA REACTION REPORT, LONDON, THURSDAY JULY 18
1996

"POSTPONING THE ELECTION IF NECESSARY MEANS, OF COURSE, COMMITTING THE NATO FORCES TO A LONGER STAY. BUT NO CONVINC- ING ARGUMENT HAS EVER BEEN OFFERED FOR THEIR PLAN TO PULL OUT BY THE END OF THE YEAR--EXCEPT THE PRESSURE OF US PRESI- DENTIAL POLITICS. WITH BOB DOLE NOW IN DISARRAY, NEED BILL CLINTON CARE? MR BILDT SAYS HE WOULD PREFER A "FLAWED ELECTION" TO NONE AT ALL, BUT THE IMMU- NITY GIVEN SO FAR TO THESE SUSPECTED WAR CRIMINALS IS A FAR GREATER FLAW--AND AN INSULT TO THOSE BURIED IN MASS GRAVES."

3. U.S. POLITICS

"BOB WHO?"

THE INDEPENDENT FINANCIAL TIMES EDITORIALIZED (7/18):

"WHICHEVER WAY HE TURNS - AND HE HAS TURNED IN A NUMBER OF DIRECTIONS SINCE EMBARKING ON HIS INCREASINGLY FORLORN-LOOKING CAM- PAIGN FOR THE US PRESIDENCY - IT SEEMS MR BOB DOLE CAN DO NOTHING RIGHT.

"INTENSE PUBLIC MISTRUST OF THE INCUMBENT, HIS OWN EARLY NOMINA- TION BY HIS PARTY, A DRAMATIC RESIG- NATION FROM THE SENATE TO CAMPAIGN FROM OUTSIDE THE BELTWAY, A SHIFT FROM THE RIGHT TO THE POLITICAL CENTER WHERE ELECTIONS ARE WON--- DESPITE ALL THIS, THE POLLS POINT INSISTENTLY IN THE DIRECTION OF A HUMILIATING DEFEAT FOR THE REPUBLI- CAN CANDIDATE IN NOVEMBER.

"INDEED, SO GRIM ARE THE NUMBERS LOOKING THAT SOME OBSERVERS SUGGEST MR DOLE COULD DRAG A SIZEABLE GROUP OF FELLOW-REPUBLICANS IN CONGRESS DOWN WITH HIM. WHAT IS GOING WRONG FOR HIM, AND WHAT COULD HE DO TO PUT IT RIGHT?

"IN FAIRNESS, IT IS PARTLY A MATTER OF WHAT IS GOING RIGHT FOR HIS OPPO- NENT. WHATEVER THE SHORTCOMINGS OF HIS FIRST YEARS IN OFFICE, PRESI- DENT BILL CLINTON IS NOTHING IF NOT A BRILLIANT CAMPAIGNER AND A DEFT STEALER OF HIS POLITICAL RIVALS' CLOTHES. NOR IS THE SUSTAINED ECO- NOMIC UPTURN OVER WHICH HE CON- TINUES TO PRESIDE LIKELY TO FUEL THOUGHTS OF OVERTHROWING HIM. IN ANY CASE, CHALLENGING AN INCUM- BENT PRESIDENT WHO WAS UNOP- POSED FOR HIS OWN PARTY'S NOMINA- TION HAS RARELY BEEN A FRUITFUL EXERCISE IN US POLITICAL HISTORY.

"YET THERE IS NO GETTING ROUND THE FACT THAT A SIGNIFICANT PART OF THE PROBLEM IS MR DOLE HIMSELF. NEVER AN INSPIRATIONAL CANDIDATE, THE EX-SENATOR FROM KANSAS HAS THIS TIME FALLEN SHORT EVEN OF HIS DISMAL PERFORMANCES DURING PREVI- OUS BIDS FOR THE REPUBLICAN NOMI- NATION IN 1980 AND 1988.

"SINCE SEEING OFF POPULIST CHALLENGERS IN THE PRIMARIES, HE HAS FAILED TO PROJECT THE SEMBLANCE OF A COHERENT CAMPAIGN THEME OR A MESSAGE CAPABLE OF UNIFYING THE DIVIDED RANKS OF HIS PARTY. INSTEAD, HE HAS BEEN REPEATEDLY AND UNWISELY DRAWN INTO RHETORICAL BATTLES

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LSECREST; B/TV/WP;
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CSD ISA FOR ILN; FOR NEA; OASD/PA;
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OVER SUCH ISSUES AS WHETHER TOBACCO IS ADDICTIVE AND
WHETHER A BAN ON ASSAULT WEAPONS SHOULD BE REPEALED.

"AT BEST THESE EXPOSE POOR TACTICAL JUDGMENT ON THE
PART OF HIM AND HIS HANDLERS. AT WORST THEY BETRAY A
FUNDAMENTAL CONFUSION ABOUT MR DOLE'S POLITICAL IDENTITY.
THIS CONFUSION HAS BEEN EVIDENT SINCE THE OUTSET OF THE
CAMPAIGN. ORIGINALLY HE ATTEMPTED TO RUN FROM CONGRESS BY
ENGAGING MR CLINTON IN LEGISLATIVE TRENCH WARFARE.
THEN, WHEN FRUSTRATED BY A REVIVED DEMOCRATIC PARTY, HE
TURNED THE TABLES BY QUITTING THE SENATE TO RUN AS
"CITIZEN DOLE".

"IT WAS A GAMBIT FRAUGHT WITH RISKS. AN EXPLICITLY
ANTI-WASHINGTON CAMPAIGN WAS ALWAYS GOING TO BE FAINTLY
IMPLAUSIBLE FROM A MAN WITH SUCH A LONG CAREER IN THE
CAPITAL. AND BUILDING ONE AROUND HIS PERSONAL QUALITIES
CARRIED THE DANGER THAT VOTERS - WHILE RECOGNIZING HIS
UNDOUBTED PHYSICAL COURAGE AND POLITICAL DECENCY - -
WOULD STILL FIND HIM A TRIFLE UNINSPIRING.

"SO IT HAS PROVED. AND IT IS HARD TO SEE WHAT MR DOLE CAN
DO FUNDAMENTALLY TO IMPROVE THE SITUATION BEYOND BEING
TRUE TO HIMSELF, AVOIDING MEDIA MANHOLES, ENCOURAGING
HIS PARTY TO KEEP ITS DIVISIONS UNDER CONTROL AND
HOPING SOMETHING WILL TURN UP. FRAMING A DISTINCTIVE
CENTRIST MESSAGE WILL BE DIFFICULT GIVEN THE SUCCESS WITH
WHICH MR CLINTON HAS ANNEXED REPUBLICAN TERRITORY SINCE
1994. EVEN IF THE LATTER RUNS INTO FURTHER SCANDAL, HIS
CHALLENGER WILL STILL HAVE A TOUGH HILL TO CLIMB."

(REPRODUCED IN FULL)
"GREENSPAN'S DAY OF JUDGMENT"

THE INDEPENDENT FINANCIAL TIMES HAD A LARGE FEATURE ON ITS LEADER PAGE WHICH LOOKED AT THE U.S. ECONOMY (7/18):

"IS THE US ECONOMY FUNDAMEN- TALLY SOUND AND CAPABLE OF GENERATING HEALTHY CORPORATE PROFITS FOR YEARS TO COME, OR IS THIS PERIOD OF BUSINESS EXPANSION NOW ENTERING ITS FINAL STAGES? IN THE WAKE OF RECENT SHARP FALLS IN US SHARE PRICES, THIS IS THE CRUCIAL QUESTION ON WHICH MR ALAN GREENSPAN, THE FEDERAL RESERVE CHAIRMAN, WILL BE EXPECTED TO PRO- VIDE GUIDANCE IN HIS MONETARY TESTI- MONY TO CONGRESS TODAY.

"MR GREENSPAN'S CONGRESSIONAL APPEARANCES ARE ALWAYS CLOSELY MONITORED BY GLOBAL FINANCIAL MAR- KETS. BUT TODAY'S IS ESPECIALLY SIGNIF- ICANT - AND NOT JUST BECAUSE OF THE TURMOIL IN EQUITY AND BOND MAR- KETS. ECONOMISTS WILL BE SCRUTINIS- ING HIS TESTIMONY - AND THE FED'S LATEST ECONOMIC FORECASTS - FOR HINTS ON THE LIKELY COURSE OF SHORT-TERM INTEREST RATES. ONE OF THE TRIGGERS FOR THE SUDDEN FALL IN SHARE PRICES WAS A FEAR THAT THE FED WOULD SHORTLY REVERSE DIRECTION ON MONE- TARY POLICY AND BEGIN RAISING RATES IN RESPONSE TO TENTATIVE EVIDENCE OF INFLATIONARY PRESSURES, PARTICULARLY IN LABOR MARKETS. ...

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WHITEHOUSE FOR NSC-WEUROPE, NSC FOR LAKE;
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VIENNA PASS USDEL-CSCE;

E.O.12356:N/A

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1996

"ECONOMIC CROSS-CURRENTS LEAVE THE FED IN A DELICATE POSITION. HAVING UNDERESTIMATED GROWTH AND PRICE INCREASES THIS YEAR, MR GREENSPAN WILL PROBABLY EMPHASIZE THE RISK OF HIGHER INFLATION AND TRY TO PREPARE CONGRESS FOR THE POSSIBILITY OF HIGHER INTEREST RATES. BUT WITH FINANCIAL MARKETS SO VOLATILE AND THE PROSPECTS FORE GROWTH SO UNCERTAIN, IT SEEMS UNLIKELY THAT HE IS CONTEMPLATING MORE THAN A MINOR TIGHTENING OF POLICY IN AUGUST. BUT THEN, GRADUALISM HAS BEEN THE HALLMARK OF

THE GREENSPAN FED -- IN GOOD TIMES AS WELL AS BAD."
O'BRIEN

SECT: SECTION: 01 OF 14

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DIST:

SIT: CLARKER CULLIN FETIG JOHNSON JOSEPH MOFFETT PETERS SCHMIDT SIMON
VERSHBOW
SIT: NSC