

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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001. cable	re: Property Meetings of StaffDel Fisk/DeMoss. (5 pages)	06/19/1997	P1/b(1)
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COLLECTION:

Clinton Presidential Records
NSC Cables
Jan 1997-Dec 1998 ([Jesse Helms or Senator Helms])
OA/Box Number: 520000

FOLDER TITLE:

[05/31/1997-08/08/1997]

2006-1363-F

vz5582

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Cable

PREC: PRIORITY

CLASS: UNCLASSIFIED

LINE1: PAAUZYUW RUESPFA1017 1510447-UUUU--RHEHOND.

LINE2: ZNR UUUUU

LINE3: P 310447Z MAY 97

LINE4: FM FBIS CHIVA CHIVA PM

OSRI: RUESPF

DTG: 310447Z MAY 97

ORIG: FBIS CHIVA CHIVA PM

TO: AIG 4674

RUCWAAB/FBIS RESTON VA

ACCT FBPA-EWDK

INFO: ////

SUBJ: Take 7 of 9 -- Alarcon on US Anti-Cuban Actions

TEXT:

UNCLAS 6FP 6A

WARNING: TOPIC: LEADER, POLITICAL, INTERNATIONAL

SERIAL: PA3105044797

PASS: ATTN WIRE SELECT

COUNTRY: CUBA

SUBJ: Take 7 of 9 -- Alarcon on US Anti-Cuban Actions

REF: pa3105043997 havana radio network spanish 301512///
be practically effective?

TEXT:

[FBIS Translated Text] [Alarcon] Well, I would tend not to agree with your assessment. I believe that the majority of the nations gathered at the United Nations have for the past few years categorically rejected and explicitly condemned all US blockade policies against Cuba, not only the last few legislations and proposals. Therefore, I am convinced that there will be a response and understanding with respect to this specific issue. Of course, another thing is whether the positions repeatedly expressed by the United Nations are acknowledged by the US Government. At any rate, we have to trust public opinion, we have to count on international pressures, as well as in the opinion of the people. I do not believe that it will be easy for those intent on financially and materially suffocating this country to escape unscathed and not run right into the most categorical rejection and opposition from the entire world.

[Gonzalez] As I said before, it is now time for Francis Kerry to ask her question, followed next by Juanita Darling from the Los Angeles Times.

[Unidentified reporter, shouts] Please adjust the microphone we can hardly hear you over here.

[Kerry] I would like for you to explain if... [pauses] Well, I have two very brief questions: one is related to a clarification with respect to the time period required for the 10 amendments to be approved, considering that it first has to pass through the Senate Foreign Relations Committee and then the full Senate. Afterward, if the proposal still does not pass, it has to go to another committee that will be responsible for adjusting it. In theory, it could become deadlocked in a process lasting months, just as what took place with the Helms-Burton legislation before it was rapidly approved last year. The other question is how, according to your assessment, has the secrecy with respect to these legislations been maintained? Was it something purposefully done by someone specific, or was it simply a case of omission by the media covering Washington? Thank you.

[Alarcon] With respect to your first question, Francis, the United States has a two-chamber system. Of course, once the legislation has been approved by the House of Representatives, we imagine it would be approved with all related amendments, including these 10 related to Cuba. Afterward, it would be the House of Representatives' draft that would require approval by the US Senate. It does not matter if it first has to go through a Senate committee. For instance, I would like point to a recent example. The Helms-Burton law did not go through any of the US Senate committees. It was approved by the House of Representatives. This is the exact path this legislation followed. It was approved by the International Relations Committee, which completely falls under the influence of the annexationist and ultra-right mafia. It was approved by the full House and afterward the Senate voted, starting from the proposal made by the House. However, Mr. Helms, who is president of the Foreign Relations Commission, never summoned the committee to evaluate the bill the way it should have been. In addition to that, they have even unearthed the mechanism of secret parliamentarism [parliamentarismo secreto] -- and God only knows what other type of deceptions -- to approve a draft in a manner other than what one would suppose. At any rate, it still has to be approved by the Senate. It is true that it requires, or may require, some type of negotiation or discussion. If someone decides to give an opinion contrary to [passage indistinct]. They should say so. How much longer are they going to wait to announce the administration's position? Until it has already become a bill?

Second, there are reasons to doubt that if there is no opposition, if the administration is not prompted to do something now, keeping in mind that they gave their word to Europe to do several things, the same situation that developed with other legislation in the United States could developed here. The final outcome will be that they will end up agreeing with the position of the conservatives. This same legislation gathers several basic goals of the US right, outside of Cuba. These are aspects related to the reorganization of the US State Department and the agencies involved in foreign policies that have been negotiated by the administration. These aspects are fully and clearly supported by President Clinton. There is an all-out reorganization that was conceived between Senator Helms and Secretary Albright. This is reflected in this document. Therefore, first it was kept hidden. There is no mention of this issue, it is allowed to keep moving ahead. This allows it to move ahead unopposed, and for no opposition to be voiced. Afterward, one would then have to trust the integrity and heroic willingness of the president to oppose the

initiative when his track record indicates the contrary. For President Clinton it has become a matter of principle to obtain as much as possible from the reaction of the US public. He has done so at the cost of basic social programs of millions of Americans. He has done it with the budget. This time there was no confrontation, shut-down of the administration, no problems this time. What we have is an understanding that has made him clash with a sector of the Democratic Party. However, he has obtained a majority in both Houses. Why not express some concern that there might be a repeat of this issue? After all, he has been able to demonstrate such an endless ability to negotiate and draw closer to the ultra-right in issues that affect most North Americans. With respect to the second question, I have no explanation yet. Frankly, it really calls my attention to how an issue can be discussed and approved in a meeting by a body that supposedly represents the public and by an odd chance, for there not to have been any leaks, not even a small one. (more) 301512 jc/ross/ejl lrcu3005.18e 31/0449z may

SECT: SECTION: 01 OF 01

SSN: 1017

TOR: 970531011948 M2782834

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SIT: NSC

Cable

PREC: ROUTINE

CLASS: UNCLASSIFIED

LINE1: RAAUZYUW RUEHUBA3041 1542101-UUUU--RHEHAAA.

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LINE3: R 032101Z JUN 97

LINE4: FM USINT HAVANA

OSRI: RUEHUB

DTG: 032101Z JUN 97

ORIG: USINT HAVANA

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RUEHZP/AMEMBASSY PANAMA 0522

RUEHOT/AMEMBASSY OTTAWA 2386

RUEHBH/AMEMBASSY NASSAU 0841

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RUEHXQ/ALL EUROPEAN UNION POST COLLECTIVE

RHEHAAA/WHITE HOUSE WASHINGTON DC

RUEAWJB/DEPT OF JUSTICE WASHINGTON DC

RUCTFOA/CCGD SEVEN MIAMI FL

RULSJGA/COMDT COGARD WASHINGTON DC

SUBJ: CUBAN FOREIGN MINISTER ROBAINA CONTINUES
ANTI-U.S. OFFENSIVE WITH AN INTENSE,
CONFUSED LESSON IN U.S. CIVICS

TEXT: UNCLAS SECTION 01 OF 02 HAVANA 003041

ROME FOR THE VATICAN

E.O. 12958: DECL:N/A

TAGS: PG0V, PREL, CU

SUBJECT: CUBAN FOREIGN MINISTER ROBAINA CONTINUES
ANTI-U.S. OFFENSIVE WITH AN INTENSE,
CONFUSED LESSON IN U.S. CIVICS

REF: HAVANA 2962

1. SUMMARY: ON JUNE 1, CUBAN FOREIGN MINISTER ROBERTO ROBAINA CONTINUED CUBAS LATEST ANTI-U.S. PROPAGANDA OFFENSIVE (REFTTEL), FOCUSING ON PENDING LEGISLATION IN THE U.S. CONGRESS. ROBAINA TURNED AN INTERVIEW IN THE JUNE 1 EDITION OF "JUVENTUD REBELDE," PUBLISHED BY CUBAS COMMUNIST YOUTH UNION (UJC), INTO A LESSON ON U.S. CIVICS FOR THE CUBAN PUBLIC, CONVERTING HIMSELF INTO AN INTENSE, IF SOMEWHAT CONFUSED, POLITICAL SCIENCE PROFESSOR. END SUMMARY.

THE WHITE HOUSE HELD "HOSTAGE TO THE CAPITAL"

2. ROBAINA OPENED WITH THE SPECTACULAR ASSERTION THAT "THE NORTH AMERICAN CONGRESS HAS MANAGED TO TAKE AWAY THE CONSTITUTIONAL RIGHTS OF THE WHITE HOUSE." DESPITE THE FACT THAT ROBAINA DID NOT EXPLAIN EXACTLY WHAT "RIGHTS" HE HAS REFERRING TO, THE IMAGE HAS THAT OF GOOD-GUY WHITE HOUSE HELD "HOSTAGE TO THE CAPITAL," IN ROBAINAS WORDS, BY AN EVIL CONGRESS. THE INTENT OF CONGRESS, ACCORDING TO ROBAINA, HAS TO PREVENT FULFILLMENT OF "COMMITMENTS ASSUMED BY THE EXECUTIVE" MADE TO THE EUROPEAN UNION.

3. AS "EVIDENCE" OF THE ACCUSATION, ROBAINA "REVEALED" THAT UNDERSECRETARY OF STATE STUART EIZENSTAT AND STAFF MEMBERS OF SENATOR JESSE HELMS HAD BEEN "WORKING TOGETHER, ADVISING EACH OTHER, SEEKING INFORMATION, AND MUTUALLY CONSULTING ... ADVISED ALL THE TIME BY THE CUBAN-AMERICAN NATIONAL FOUNDATION." ROBAINA FAILED TO EXPLAIN WHY U/S EIZENSTAT, THE MEMBER OF THE (PRESUMABLY-GOOD) EXECUTIVE WHO MADE THE "COMMITMENTS" IN THE FIRST PLACE, WOULD NOW WORK TO UNDERMINE THEM.

4. BUT PERHAPS SENSING SOME CONTRADICTION, ROBAINA EXPLAINED THAT THE CUBAN-AMERICAN NATIONAL FOUNDATION HAD "ITS REPRESENTATIVES IN CONGRESS" PUSH THE NEW PROPOSALS. IN THE MEANTIME, "CONGRESS AND OFFICIALS OF THE DEPARTMENT OF STATE WORKED CLOSELY TO DISINFORM NORTH AMERICAN PUBLIC OPINION" ABOUT THE EFFECTS OF THE EMBARGO. WITH THE EXECUTIVE NOW FULLY TRANSFORMED FROM GOOD GUY TO BAD GUY, AND FROM A VICTIM OF CONGRESS TO ONE OF ITS CO-CONSPIRATORS, ROBAINA ASKED RHETORICALLY HOW THE U.S. COULD "GO AROUND SAYING TO ALLIES THAT IT IS WORKING TO MAKE A CRAZY IDEA MORE FLEXIBLE ... AND AT THE SAME TIME, GO TO THOSE CONSPIRATORIAL MEETINGS." FOR ROBAINA, THE CONCLUSION HAS SIMPLE: "IT DEMONSTRATES A LACK OF MORAL PRINCIPLES, REAL DEMOCRACY AND TRANSPARENT GOVERNABILITY."

5. FOR ANY READERS LEFT IN DOUBT, ROBAINA "REVEALED" HOW THE CUBAN GOVERNMENT "MANAGED TO DECIPHER" THE U.S.S "DIRTY AND HIDDEN" PLANS: THE GOC "KNOWS IN DEPTH THE FUNCTIONING OF THE INSTITUTIONS OF THAT COUNTRY, THE MANNER IN WHICH POLICY AND LEGISLATION IS DONE, AND ABOVE ALL, HOW THE ANTI-CUBAN MAFIA WORKS. WE

HAVE LEARNED TO SMELL FROM VERY FAR AWAY WHEN DANGER
THREATENS US. OTHERWISE, WE WOULD NOT HAVE RESISTED."

6. COMMENT: FOR CASTRO OFFICIALS, IT HAS A WEEK SPENT
DISPENSING FREE ADVICE -- FIRST TO THE EUROPEAN UNION TO
UNCLAS SECTION 02 OF 02 HAVANA 003041

ROME FOR THE VATICAN

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TAGS: PG0V, PREL, CU
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ANTI-U.S. OFFENSIVE WITH AN INTENSE,
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PROTECT ITSELF FROM U.S. ADVANCES (REFTEL), THEN TO THE
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BY THE LEGISLATIVE BRANCH. ROBAINAS "EXCLUSIVE"
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CONFUSED, OFF CUBA AND ON THE U.S., THE TIMING AND
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KOZAK

SECT: SECTION: 01 OF 02
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SSN: 3041
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PREC: ROUTINE

CLASS: UNCLASSIFIED

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LINE2: ZNR UUUUU

LINE3: R 031938Z JUN 97

LINE4: FM FBIS CHIVA CHIVA PM

OSRI: RUESPF

DTG: 031938Z JUN 97

ORIG: FBIS CHIVA CHIVA PM

TO: AIG 4674

ACCT FBPA-EWDK

INFO: ////

SUBJ: Robaina: Washington Acts Against Democracy, Governability

TEXT:

UNCLAS 6A

WARNING: TOPIC: INTERNATIONAL, POLITICAL, ECONOMIC

SERIAL: PA0306193897

COUNTRY: CUBA

SUBJ: Robaina: Washington Acts Against Democracy, Governability

SOURCE: Havana PRENSA LATINA in Spanish 1626 GMT 1 Jun 97

TEXT:

[FBIS Translated Text] Havana, 1 Jun (PL) -- During an interview published in Havana, Cuban Foreign Minister Roberto Robaina said the US Government's enforcement of the Helms-Burton law by turning its back on the European Union [EU] shows lack of principles, morals, true democracy, and transparent governability.

Speaking exclusively for the Sunday publication Juventud Rebelde, Robaina commented: We wonder how is it possible to tell allies one is working to make flexible an extraterritorial legislation passed over a year earlier and at the same time conspire to defeat that very same purpose.

Robaina's words added up to Cuban parliament president Ricardo Alarcon's report on Thursday about the passing by the House International Relations Commission of a dozen measures aimed at hardening the embargo against Cuba.

The United Nations, the Nonaligned Movement, the EU, the WTO, and the Association of Caribbean States have received copies of the text of the charges presented by Havana authorities.

Robaina recalled that in April Washington reported an understanding with EU to limit judicial proceedings, contemplated in Title III of the Helms-Burton law, against those who trade with Cuba.

This reported agreement included suspending Title IV, which refers to banning from the US territory third-country businessmen who have investments in Cuba -- all in exchange for EU's withdrawing

charges against the United States in WTO.

Robaina also said: Nevertheless, the Cuban-American annexationist mafia, in alliance with ultrarightists at Congress, has started a move to reinforce the embargo and the Helms-Burton law and force the noncompliance of the US Government's commitments with the EU.

Robaina disclosed that "in this strategy, Stuart Eizenstat, under secretary for international trade, and Dan Fisk, assistant to Senator Jesse Helms, worked advising, seeking information, and discussing ideas with each other. In addition, Fisk has all along been advised by prominent members of the Cuban-American National Foundation."

Robaina said further that there are victims of the enforcement of the anti-Cuban legislation. He referred to the letters (warnings) and visas that have been denied to enterprises with businesses in Cuba, as well as to persons who have been taken into custody in the United States for doing business in Cuba.

"We have observed the anguish of some people, who every six months must wait for the imperial pardon for enjoying full sovereignty. We have observed many comings and goings to prevent letters from being sent, visas from being denied, or black lists from being prepared," he said, alluding to the postponement of the trials contemplated by law.

Robaina said it is evident that the United States persists in disrespecting the sovereignties of other countries and trying a kind of world government. He said that this proves the US Government lacks seriousness and reliability regarding international peace and cooperation.

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(endall) 011626 ROQ/Lanterman/cn jrcu0306.14e 03/1941z jun

SECT: SECTION: 01 OF 01

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OSRI: RUEHUB
DTG: 032101Z JUN 97
ORIG: USINT HAVANA
TO: RUEHC/SECSTATE WASHDC 8162
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RUEHFB/DIRFBI WASHINGTON DC
RUCBACM/USCINCOM NORFOLK VA
RUESDM/JTLO MIAMI FL
RUEHIA/USIA WASHDC 0017
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RUEHPU/AMEMBASSY PORT AU PRINCE 0051
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RUEHCV/AMEMBASSY CARACAS 1083
RUEHBU/AMEMBASSY BUENOS AIRES 1374
RUEHWN/AMFBASSY BRIDGETOWN 0371
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RUEHXQ/ALL EUROPEAN UNION POST COLLECTIVE
RHEHAAA/WHITE HOUSE WASHINGTON DC
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RUCTFOA/CCGD SEVEN MIAMI FL
RULSJGA/COMDT COGARD WASHINGTON DC
SUBJ: CUBAN FOREIGN MINISTER ROBAINA CONTINUES
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CONFUSED LESSON IN U.S. CIVICS
TEXT: UNCLAS HAVANA 003041
ROME FOR THE VATICAN
E.O. 12958: DECL:N/A
TAGS: PG0V, PREL, CU
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SECT: SECTION: 01 OF 01

SSN: 3041

TOR: 970603173317 M2787860

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RUESDJ/FBIS OKINAWA JA
ACCT FBPA-EWDK
INFO: ////
SUBJ: PRC Supports Cuba's Rejection of Helms-Burton Law

TEXT:
UNCLAS 6A

WARNING: TOPIC: POLITICAL, INTERNATIONAL

SERIAL: PA0506141897
PASS: ATTN WIRE SELECT

COUNTRY: CUBA, PRC
SUBJ: PRC Supports Cuba's Rejection of Helms-Burton Law

SOURCE: Havana Prensa Latina in Spanish 0815 GMT 5 Jun 97
TEXT:

[FBIS Translated Text] Beijing, 5 Jun (PL) - The Chinese Government today reiterated its rejection of the economic embargo and other pressure measures imposed by the United States on Cuba at a time when congressmen in Washington attempt to increase aggressions against the island.

Ultraconservatives in the U.S. Senate and the House of Representatives negotiate the final approval of an amendment package for the Helms-Burton Law. The package includes measures aimed both at keeping and hardening penalties on foreign countries and enterprises with investments in Cuba and encouraging internal subversion in this country.

Asked about the matter, a spokesman of the PRC foreign ministry

told Prensa Latina in Havana today that his government "has always been of the opinion that penalties or other pressure measures should not be resorted to in litigations between countries."

The spokesman, Cui Tiankai, said: "We have always opposed the US embargo against Cuba."

The controversial anti-Cuba law that bears the names of Republican congressmen Jesse Helms and Dan Burton was signed by President William Clinton in March last year to harden the embargo on Cuba by imposing penalties on foreign enterprises and persons who do business in this country.

Cui added: "The Chinese Government has always been of the opinion that litigations between countries should be settled on the basis of mutual respect for sovereignty and territorial integrity, through dialogue, and on equal footing."

The 15 European Union member countries have threatened with filing a suit with the World Trade Organization [WTO] against the Helms-Burton law's extraterritorial nature. President Clinton promised he would negotiate with the Congress some formula to make the legislation more flexible.

Nevertheless, without any debate, and very quietly, on 6 May the House International Relations Committee passed 10 amendments aimed at preserving the legislation's extraterritorial nature and aggravating its hostility against and interventionism in Cuba.

"We will continue to support the Cuban people's just struggle to defend Cuba's independence and reject foreign intervention," the PRC foreign ministry spokesman said.

The Chinese diplomat spoke after Jose A. Guerra Menchero, Cuban ambassador to the PRC, reported to the local press yesterday that in Washington the Congress prepares a new escalation of aggression against Cuba in a silent conspiracy to try to deceive the international community.

"The anti-Cuban actions of an hegemonic power like the United States could be aimed at any other country in the near future," Guerra Menchero warned.

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RUEHFR/AMEMBASSY PARIS

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SUBJ: MEDIA REACTION EU ASIA AFRICA U.S. ENVIRONMENT EU
ASIA AFRICA U.S. ENVIRONMENT; BONN

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ALSO FOR USDELMC; USCINCEUR VAIHINGEN ALSO FOR

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SUBJECT: MEDIA REACTION EU ASIA AFRICA U.S. ENVIRONMENT EU
ASIA AFRICA U.S. ENVIRONMENT; BONN

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- A. LEAD STORIES SUMMARY

HEADLINES

"IN SPITE OF IT ALL: KINKEL EXPECTS 'SUBSTANTIAL OUTCOME'
OF AMSTERDAM SUMMIT" (FRANKFURTER ALLGEMEINE ZEITUNG)

"BONN AND PARIS WANT TO SETTLE CONTROVERSY ABOUT EURO"
(SUEDDEUTSCHE ZEITUNG)

"BUNDESTAG CONTROVERSY ABOUT EMPLOYMENT PACT" (DIE WELT)

"REXRODT WANTS TO SELL EVEN MORE FEDERAL PROPERTY"
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"BONN COALITION IS MARKING TIME" (FRANKFURTER RUNDSCHAU)

"KOHLE GETS BACKING FOR EU SUMMIT" (GENERAL-ANZEIGER)

EDITORIALS FOCUS ON THE BUDGET TALKS IN GERMANY, THE
CONTROVERSY ABOUT THE EURO AND ON SWEDEN'S PLAN TO GIVE UP
THE COMMERCIAL USE OF NUCLEAR ENERGY. ZDF-TV'S EARLY
EVENING NEWSCAST HEUTE AND ARD-TV'S EARLY EVENING NEWSCAST
TAGESSCHAU FOCUSED ON THE BUNDESTAG DEBATE ABOUT THE GERMAN
POLICY TOWARDS EUROPE.

- B. (EU) EURO

- 1. P. HERRES COMMENTED ON ARD-TV'S (NATIONAL
CHANNEL ONE) LATE EVENING NEWSCAST TAGESTHEMEN (06/11):

"THE (EU) MEMBER STATES LACK THE FUNDS FOR

EUROPEAN-WIDE JOB CREATION SCHEMES. IN ADDITION, THEIR EFFECT IS QUESTIONABLE. AS FAR AS POLITICS ARE CONCERNED, SUCH PROGRAMS COULD POSSIBLY BE PROMOTED BY LIONEL JOSPIN, BUT CERTAINLY NOT BY TONY BLAIR. THIS IS WHY EVERYTHING POINTS TO A COMPROMISE: (THE EU LEADERS) WILL ADOPT A STABILITY PACT SUPPLEMENTED WITH EMPLOYMENT POLICY UNCLAS SECTION 02 OF 06 BONN 007086

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DECLARATIONS OF INTENT. THIS WILL NOT STOP THE INTRODUCTION OF THE EURO, EVEN THOUGH, IN THE END, IT WILL BE SOFTER THAN FINANCE MINISTER WAIGEL IS PROMISING US TODAY. WE CAN NO LONGER POSTPONE THE EUROPEAN CURRENCY WITHOUT ACCEPTING GRAVE DISADVANTAGES. A POSTPONEMENT WOULD RESULT IN TURBULENCE ON THE FINANCIAL MARKETS AND CREATE AN EVALUATION PRESSURE ON THE D-MARK WITH NEGATIVE IMPLICATIONS FOR GROWTH AND JOBS. EVEN THOUGH THE EURO MAY NOT BE AN INSTRUMENT TO CREATE NEW JOBS, IT REMAINS THE ONLY FUTURE-ORIENTED EUROPEAN ANSWER TO GLOBALIZATION AND INTERNATIONAL COMPETITION."

2. REGIONAL RADIO STATION NORDDEUTSCHER RUNDFUNK OF HAMBURG (06/11) AIRED THE FOLLOWING COMMENTARY BY JENS PETER MARQUARDT:

"IF THE EUROPEAN UNION DOES NOT REFORM NOW, THE SITUATION WILL ONLY BECOME WORSE IN FUTURE. THE EU NOW HAS 15 MEMBERS, BUT IT WILL SOON BE 20 OR EVEN 25. THIS IS WHY BRUSSELS URGENTLY NEEDS A NEW ENGINE TO PREVENT EUROPE FROM FALLING BY THE WAYSIDE.... ONLY WITH THE EURO WILL EUROPE REACH THE FINISH.... (IF THE EUROPEANS NOW POSTPONE THE EURO), THEY WILL NOT HAVE THE STRENGTH TO GIVE IT A SECOND TRY. THEN THE GERMANS WOULD BE THE NUMBER ONE LOSER SINCE INTERNATIONAL SPECULATORS WOULD FLEE INTO THE D-MARK AND PUSH EXCHANGE RATES UP.... A STOP OF THE EURO WOULD RESULT IN THE LOSS OF MORE JOBS IN GERMANY THAN ANY EUROPEAN JOB CREATION SCHEME COULD CREATE. THIS MEANS THAT THE EURO AND THE EU REFORM BELONG TOGETHER. WITHOUT A NEW ENGINE, EUROPE WILL LAND ON THE SLOW TRACK, WHILE THE UNITED STATES AND ASIA WOULD OVERTAKE IT AND IT WOULD DISAPPEAR, NEVER TO BE SEEN AGAIN."

3. JUERGEN JESKE NOTES IN A FRONT-PAGE EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (06/12) UNDER THE HEADLINE:

"RECIPES AGAINST YESTERDAY."

"OF COURSE, 18 MILLION JOBLESS IN THE EUROPEAN UNION, INCLUDING FOUR MILLION IN GERMANY, ARE A CERTIFICATE OF POVERTY FOR EUROPE. IT IS ALSO TRUE THAT THE EUROPEAN MONETARY UNION WILL NOT FREE THE MEMBER COUNTRIES FROM THEIR OWN ECONOMIC PROBLEMS. ON THE CONTRARY, A COMMON CURRENCY WILL EVEN INTENSIFY THE PRESSURE TO ADAPT. THE OLD KEYNESIAN AND SOCIALIST RECIPES OF STATE-RUN PROGRAMS WILL NOT HELP, BUT ONLY CHANGES SUCH AS THE ONES THAT HAVE BEEN SUCCESSFULLY IMPLEMENTED IN THE UNITED STATES, GREAT BRITAIN, AND IN THE NETHERLANDS. THIS IS WHY IT IS ALSO NONSENSE TO USE EMPLOYMENT POLICY AS AN ARGUMENT AGAINST STABILITY POLICY, AS THE OPPOSITION DOES. THESE ARE OLD THINKING CATEGORIES WHICH ONLY SHOW THAT THE NECESSARY CHANGE MUST BEGIN IN THE MINDS."

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4. JOSEF JOFFE ARGUES IN AN EDITORIAL IN CENTRIST SUEDEDEUTSCHE ZEITUNG OF MUNICH (06/12) UNDER THE HEADLINE:

"THE FASTING CURE IS FOLLOWED BY GLUTTONY."

"WHAT WILL NOW BE TRUE? WE CAN ONLY PREDICT THAT THE MAIN CANDIDATES WILL NOT BE ABLE TO JUMP THE HURDLES OF CRITERIA (FOR THE EURO) BY 1998. IT IS ALSO LIKELY THAT, FOR COUNTRIES SUCH AS FRANCE, CHARITY BEGINS AT HOME AND NOT IN EUROPE. OR AS THE CONSERVATIVE CHIRAC EXPRESSED IT, IN BIPARTISAN HARMONY WITH SOCIALIST JOSPIN: HIS GOVERNMENT 'RIGHTFULLY' STRESSES 'SOCIAL QUESTIONS, I.E. THE CLAIM FOR AN EXPANSIVE SPENDING POLICY. GERMAN POLITICIANS FROM ALL POLITICAL CAMPS SAID THE SAME A WHILE AGO. THIS IS NOT A GOOD OMEN FOR THE AMSTERDAM SUMMIT OR FOR THE EURO. AND THE CITIZENS MUST GRIEVE ABOUT THE FACT

THAT THEY DO NOT UNDERSTAND AS MUCH AS CHANCELLOR KOHL ABOUT FINE TUNING MACRO ECONOMICS. BUT THEY ARE WONDERING HOW A GOOD THING SUCH AS EUROPEAN INTEGRATION IS SUPPOSED TO THRIVE IF THE PATH TO IT IS PLASTERED WITH UNTENABLE AND CONTRADICTORY CONDITIONS."

5. ANDREAS MIDDEL HAS THIS TO SAY IN A FRONT-PAGE EDITORIAL IN RIGHT-OF-CENTER DIE WELT OF BERLIN (06/12) UNDER THE HEADLINE:

"NEBULOUS THINGS FROM PARIS."

WHAT DOES FRANCE WANT? THE 14 PARTNERS IN THE EU ARE TRYING TO FIND OUT. THE SIGNALS ARE CONTRADICTORY. THE STABILITY PACT FOR THE EURO IS UNACCEPTABLE IN ITS CURRENT FORM, AS FINANCE MINISTER STRAUSS-KAHN SAID. BUT THE PARIS GOVERNMENT DOES NOT WANT TO UNPACK AND CHANGE THE PACKAGE EITHER. IT IS AT BEST TO BE SUPPLEMENTED WITH AN EMPLOYMENT PACT TO CREATE A BALANCE BETWEEN ECONOMIC GROWTH, STABILITY, AND EMPLOYMENT. SUCH FORMULATIONS ARE NEBULOUS AND ARE DESIGNED TO KEEP QUIET THE VOTERS AT HOME. IS THE FRENCH GOVERNMENT STILL PLANNING PROFOUND AMENDMENTS THROUGH THE BACKDOOR...TO RAISE FUNDS FOR JOB CREATION SCHEMES? THERE ARE SOME INDICATIONS THAT SPEAK FOR THIS VIEW."

C. (ASIA) HONG KONG

CENTRIST MANNHEIMER MORGEN (06/12) JUDGES:

THE COUNTDOWN IS ON, AND SLOWLY THE CHINESE ARE GETTING NERVOUS. ON JULY 1, THEY WILL GET CONTROL OVER HONG KONG, THE GOOSE THAT LAYS GOLDEN EGGS. BUT ACCORDING TO MARTIN LEE, THE HEAD OF HONG KONG'S DEMOCRATIC PARTY, THE NEW MASTER IS 'SO TERRIBLY AFRAID OF ITS CACKLING THAT UNCLAS SECTION 04 OF 06 BONN 007086

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HE WANTS TO PUT AN IRON COLLAR ON THE GOOSE.' WHEN BRITISH GOVERNOR CHRIS PATTEN GETS ON THE ROYAL YACHT BRITANNICA IN

19 DAYS AND THEN SAILS OUT OF HONG KONG HARBOR, THE CAPITALIST JEWEL WILL INDEED LOOK TO AN UNCERTAIN FUTURE. WILL THE CHINESE STICK TO THE FORMULA 'ONE COUNTRY, TWO SYSTEMS,' WHICH THE LATE DENG ONCE COINED TO RECONCILE SOCIALISM AND CAPITALISM?"

D. (AFRICA) CONGO

1. MICHAEL BIRNBAUM STATES IN AN EDITORIAL IN CENTRIST SUEDEDEUTSCHE ZEITUNG OF MUNICH (06/12) UNDER THE HEADLINE:

"THE CIVIL WAR HAS CROSSED THE RIVER."

"IN BRAZZAVILLE, IT HARDLY MATTERS ANY LONGER WHY THE VIOLENCE BROKE OUT. IN AFRICA, BLOODY CONFLICTS OF SUCH KIND FOLLOW THEIR OWN DYNAMIC. IN THE CAPITAL OF CONGO, THE FIGHTING HAS GONE ON FOR FIGHTING'S SAKE.... THE FRONT LINES BETWEEN THE SOLDIERS OF PRESIDENT LISSOUBA AND THE FIGHTERS OF THE 'COBRA' MILITIA GROUP OF FORMER MILITARY RULER NGUESSO ARE VAGUE. AND IN THE MIDST OF THE CHAOS, FRENCH MERCENARIES AND U.S. SOLDIERS ARE TRYING TO RESCUE THE FOREIGNERS IN THE FORMER FRENCH COLONY. BUT NOBODY WANTS TO INTERVENE....

"THE FACT THAT VIOLENCE HAS BROKEN OUT NOW OF ALL TIMES IS BASED ON TWO REASONS: ON THE ONE HAND, ELECTIONS ARE SCHEDULED FOR JULY, AND, ON THE OTHER HAND, THE NEIGHBORING STATE, THE 'DEMOCRATIC REPUBLIC OF CONGO,' HAS SIMPLY EXPORTED MANY OF ITS PROBLEMS AFTER MOBUTU'S FALL ACROSS THE BIG RIVER. THE ACTIVITIES OF THE 'MOBUTUISTS,' WHO FLEW IN MASSES TO BRAZZAVILLE, WERE ONE FACTOR THAT HELPED SPARK THE TENSE ATMOSPHERE. THE PRESENCE OF HUTU REVOLUTIONARIES AND OF RWANDAN REFUGEES WAS ANOTHER FACTOR.... IN ADDITION, THE NEW KABILA GOVERNMENT HAS A VITAL INTEREST IN EXPELLING ITS ENEMIES FROM THEIR REFUGE IN BRAZZAVILLE TO PREVENT POSSIBLE TERRORIST ACTS....

"BUT FIRST OF ALL, THIS CRISIS IS HOME-MADE. IN THE REPUBLIC OF CONGO, THE MULTI-PARTY SYSTEM WAS UNABLE TO FULFILL EXPECTATIONS. THE MAGIC TERM 'DEMOCRACY' DID NOT TURN THE COUNTRY INTO A STABLE DEMOCRACY WITH SOCIAL BALANCING MECHANISMS. EX-DICTATOR NGUESSO, WHO RULED AS A 'MARXIST' BETWEEN 1979 AND 1992...IS NOW LOOKING FOR REVENGE FOR HIS ELECTION DEBACLE FIVE YEARS AGO. AND FOR THIS PURPOSE HE IS TAKING ADVANTAGE OF THE GENERAL DISSATISFACTION AMONG THE PEOPLE...."

2. HUBERT KLEINE STEGEMANN SAYS IN AN EDITORIAL IN CENTRIST GENERAL-ANZEIGER OF BONN (06/12) UNDER THE UNCLAS SECTION 05 OF 06 BONN 007086

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HEADLINE:

"AFRICA - MORE THAN DISASTERS."

"THE FIRE IN EX-ZAIRE HAS HARDLY BEEN EXTINGUISHED,
AND A NEW FIRE IS NOW BURNING IN CONGO-BRAZZAVILLE. FRANCE
IS SENDING MILITARY REINFORCEMENTS TO BRAZZAVILLE, WHERE
GOVERNMENT FORCES AND REBELS CONTINUE TO FIRE AT EACH OTHER
DESPITE YESTERDAY'S APPEAL FOR A CEASE-FIRE. AFRICA IS
REQUIRING THE ATTENTION OF THE WEST AT A TIME WHEN THE WEST
HAS TO FIGHT ITS OWN PROBLEMS. MANY AFRICAN STATES ARE IN
A PERMANENT ECONOMIC CRISIS. EVEN IN THE POLITICALLY MORE
STABLE COUNTRIES, THE SITUATION IS GETTING WORSE AND THE
TRIBAL RIVALRIES DO NOT WANT TO STOP....

"IN SOME PLACES, INSTABILITY HAS TURNED INTO A CHRONIC
DISEASE AND PESSIMISTS EVEN FEAR THAT THE CONTINENT IS
TURNING INTO A SOCIAL CASE FOR HISTORY AND A CONSTANT
TROUBLE SPOT FOR THE WHOLE WORLD. BUT AFRICA IS MORE THAN
THE SUM OF ITS DISASTERS. THE DEVELOPMENTS IN SOME
EX-COMMUNIST RULED COUNTRIES IN EASTERN EUROPE OFFER MORE
REASON FOR CONCERN THAN THE STATE OF THIS OR THAT COUNTRY
ON THE BLACK CONTINENT."

3. LEFT-OF-CENTER HAMBURGER MORGENPOST (06/12)
JUDGES:

"IT IS EASY TO WATCH HIGHHANDEDLY THE SLAUGHTER IN
CONGO. UGLY RACISTS REMARK IN A SATISFACTORY WAY THAT
THESE BLACKS DO NOT KNOW HOW TO USE FREEDOM. A MORE
THOUGHTFUL SCHOOL OF THOUGHT SAYS THAT THE FORMER COLONIAL
POWERS, IN THIS CASE BELGIUM, SHOULD TAKE CARE OF THE
THINGS THEY CAUSED WITH THEIR EXPLOITATION, ARBITRARILY
DRAWN BORDERS AND THE OVERLY HASTY FLIGHT FROM AREAS IN
WHICH THERE WAS NOT EVEN A CHANCE FOR THE ESTABLISHMENT OF
SELF RULE. THERE IS SOMETHING TO THIS ARGUMENT, BUT THE
PROBLEM IS THAT, IN THE COURSE OF THE YEARS, THE SINS OF
THE INDIVIDUAL NATIONS TURNED INTO A COMMON EUROPEAN
RESPONSIBILITY. WE GERMANS WERE LUCKY THAT THE GREED OF
COLONIAL MERCHANTS KEPT US ALMOST AWAY FROM AFRICA. BUT
NOW WE SHOULD TAKE PART IN HELPING THIS UNFORTUNATE, RICH
COUNTRY, WHICH SHOULD NOT MEAN NEW EXPLORATION RIGHTS ONLY.
OUR FUTURE PROBLEMS LIE IN AFRICA, TOO. WE SHOULD INVEST
IN AFRICA RATHER THAN IN THE CONSTRUCTION OF THE
EUROFIGHTER AIRCRAFT."

E. (U.S.) PAYMENT OF ARREARS TO UNITED NATIONS

KURT KISTER NOTES IN AN EDITORIAL IN CENTRIST
SUEDEDEUTSCHE ZEITUNG OF MUNICH (06/12) UNDER THE HEADLINE:

"THE DEBTOR RAISES CONDITIONS."
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"AT FIRST INSPECTION, THE NEWS SEEMS TO BE NICE....
THE U.N.-HOSTILE SENATOR JESSE HELMS HAS NOW REACHED AN
AGREEMENT WITH THE ADMINISTRATION TO PAY 819 MILLION
DOLLARS IN ARREARS TO THE UNITED NATIONS OVER THREE YEARS.
HOWEVER, HE DEMANDS A PRICE. HE LINKS THE COMPROMISE NOT
ONLY TO A NUMBER OF DOMESTIC POLICY DEMANDS, BUT ALSO TO A
NUMBER OF CONDITIONS THAT INFRINGE UPON THE SOVEREIGNTY OF
THE U.N....

"THE DETAILS SHOW THAT THE REPUBLICANS STILL
DEMONSTRATE THE OLD ARROGANCE OF THE POWERFUL DEBTOR.
HELMS WANTS TO TELL THE U.N. THAT IT CAN CONVENE
CONFERENCES ONLY IN NEW YORK, GENEVA, VIENNA, OR ROME,
WHERE THERE ARE LARGE U.N. INSTITUTIONS. IN ADDITION, H
WANTS TO APPROVE THE REPAYMENT OF DEBTS ONLY IF .N.
DIPLOMATS IN NEW YORK PAY THEIR TICKETS. THS IS THE
IMPUDENCE OF THE PROVINCIAL POLITICIAN HICH HELMS SO
PERFECTLY PERSONIFIES."

F. (NVIRONMENT) CITES CONFERENCE

BARTHOLOMAES GRILL WRITES IN A FRONT-PAGE EDITORIAL
IN LEFT-OF-CENTER WEEKLY DIE ZEIT OF HAMBURG (06/12) UNDER
THE HEADLINE:

"ELEPHANTS."

"IF AFRICANS BAN THE SHOOTING OF EUROPEAN MOUNTAIN

GOATS.... WHAT WOULD BE OUR REACTION? IMPUDENCE! BUT THE INDUSTRIALIZED COUNTRIES PLACED THE ELEPHANTS ON THE ENDANGERED SPECIES LIST AND BANNED TRADE WITH IVORY. THE AFRICANS HAVE TO ACCEPT THIS ANATHEMA THAT WAS PRONOUNCED BY ANIMAL PROTECTION GROUPS FROM THE NORTH, JUST AS THEY HAD TO ACCEPT HUNTING BANS FROM COLONIAL TIMES.

"BUT RANGERS FROM ZIMBABWE, BOTSWANA, AND NAMIBIA ARE NOW SAYING ENOUGH IS ENOUGH, SINCE THERE ARE TOO MANY ELEPHANTS IN THE SOUTH. THERE HERDS DEVASTATE FIELDS AND DESTROY HUTS. THE AFFECTED COUNTRIES WANT TO ALLOW ELEPHANT HUNTING AGAIN AND TO LINK THE ECOLOGICALLY NECESSARY CULLING OF ELEPHANTS WITH ECONOMIC ADVANTAGES.

"THIS IS A REASONABLE CONCEPT THAT HAS NOW BEEN PRESENTED TO THE CITES CONFERENCE IN HARARE. HOWEVER, THE 'INTERNATIONAL' OF ELEPHANT FRIENDS, OVERWHELMINGLY NON-AFRICANS, IS PUTTING UP RESISTANCE. THE AFRICANS, WITH THE EXCEPTION OF KENYA, ARE NOT INTERESTED IN SAFARIS, ANIMALS, AND SPECIAL SHOWS IN A NATIVE WILDERNESS. THEY ARE INTERESTED IN THEIR OWN CITIZENS, AND IN SELF-DETERMINATION."
EARLE

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RUEHC/LABOR DEPT WASHDC//MCCAFFREY//
RUFGNOA/USCINCEUR VAIHINGEN GE//PA/POLAD/ECPA//
RUEATRS/TREASURY WASHDC
SUBJ: MEDIA REACTION NATO U.S. U.S.-U.N. ISRAEL AFRICA;
BONN

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TEXT:
UNCLAS SECTION 01 OF 08 BONN 007250

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 NATO U.S. U.S.-U.N. ISRAEL AFRICA;
BONN

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- B. (NATO) ENLARGEMENT
- C. (U.S.) OKLAHOMA BOMBING
- D. (U.S.-U.N.) BACK DUES
- E. (ISRAEL) GOVERNMENT CRISIS
- F. (AFRICA) CONGO

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SATURDAY, JUNE 14, 1997

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UNCLAS SECTION 02 OF 08 BONN 007250

USIA

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STATE FOR EUR/PPA, EUR/AGS, S/CSCE, PM, INR/RWE, ALSO
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BONN

"BONN AND PARIS HOPE TO ACHIEVE A COMPROMISE AT THE SUMMIT"
(GENERAL-ANZEIGER)

EDITORIALS FOCUS ON THE DISCUSSION ABOUT THE PLANNED
TAX REFORM IN GERMANY, PRESIDENT CLINTON'S DECISION TO
ACCEPT ONLY THREE COUNTRIES IN THE FIRST ROUND OF
NATO-ENLARGEMENT, AS WELL AS FRANCO-GERMAN DISSENT ABOUT
THE FUTURE ECONOMIC AND EMPLOYMENT POLICY WITHIN THE
EUROPEAN UNION.

B. (NATO) ENLARGEMENT

1. CENTRIST STUTTGARTER ZEITUNG (6/14) OPINES:

"CLINTON'S EXERCISING OF POWER"

"ROMANIA AND SLOVENIA DO NOT UNDERSTAND ANYMORE WHAT
IS GOING ON. THE BIG HOPE TO BE INCLUDED INTO THE FIRST
ACCESSION ROUND MAY HAVE MADE THEM BLIND TOWARDS THE FACTS.
NOW THE DISAPPOINTMENT IS GREAT. BILL CLINTON EXERCISED
HIS POWER AND THUS STOPPED THE ARGUMENT IN THE ALLIANCE
ABOUT WHICH COUNTRIES OUGHT TO BE MEMBERS. RIGHT IN THE
MIDDLE OF THE CONSULTATIONS OF THE DEFENSE MINISTERS CAME
CLINTON'S EXERCISE OF POWER. THE UNITED STATES
DEMONSTRATED AGAIN WHO IS THE LEADING POWER IN THE WESTERN
WORLD, EVEN IF THE EUROPEANS ACT LIKE THE QUESTION IS STILL
OPEN. THE FRENCH AND ITALIANS, WHO FOUGHT FOR ROMANIA AND
SLOVENIA, WILL NOT BE HAPPY. BUT THE ROMANIANS STARTED
ONLY LATELY TO SERIOUSLY BUILD UP A DEMOCRACY. SLOVENIA
WOULD REPRESENT A BRIDGE AMONG THE OTHER ALLIANCE STATES,
BUT IT ALSO STILL NEEDS MORE TIME. THE AMERICAN PRESIDENT
MADE CLEAR THAT HE WANTS NATO ENLARGEMENT STEP BY STEP. AT
THE SAME TIME THE ALLIANCE IS SUPPOSED TO BE REFORMED AND A

BIGGER NUMBER OF MEMBERS WOULD ONLY HINDER THIS REFORM. AND RUSSIA OUGHT NOT TO BE ANGERED TOO MUCH. LAST BUT NOT LEAST, ALL MEMBER STATES NEED TO RATIFY THE ACCESSION TREATIES. IN THE U.S. SENATE, NOT ALL SENATORS ARE FRIENDS OF NATO'S ENLARGEMENT. FRANCE'S PRESIDENT CHIRAC TRIED TO PLAY WORLD POWER AGAIN BY BRINGING UP CANDIDATES, WHO ARE NOW REJECTED BY THE UNITED STATES. SINCE PARIS IS ALSO INSISTING ON THE SUPREME COMMAND OF THE NATO SOUTHERN FLEET, THERE IS ALMOST A PERMANENT ARGUMENT BETWEEN THE UNITED STATES AND FRANCE. OF COURSE, THE AMERICANS WILL NEVER ALLOW A EUROPEAN TO COMMAND THEIR SIXTH FLEET IN THE MEDITERRANEAN SEA."

2. IN RIGHT-OF-CENTER DIE WELT OF BERLIN (6/14)
LOTHAR RQHL WRITES UNDER THE HEADLINE:

"AMERICA EXERCISES ITS POWER"

" AMERICA'S OVERDUE EXERCISE OF POWER IN REGARD TO NATO ENLARGEMENT WAS ANNOUNCED: NATO ENLARGEMENT WILL ONLY GO AS FAR AS SIXTY-SEVEN SENATORS ON CAPITOL HILL ARE UNCLAS SECTION 03 OF 08 BONN 007250

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE;
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WILLING TO GO. THIS MEANS THAT FOR THE TIME BEING THERE WILL BE ONLY POLAND, THE CZECH REPUBLIC AND HUNGARY. THESE THREE COUNTRIES WILL REPRESENT THE 'FIRST GROUP OF ACCESSION STATES' UNTIL APRIL 1999. THE RESULT OF WASHINGTON'S THINKING, WHICH WAS FORMALLY ANNOUNCED IN BRUSSELS, BRING THE DISCUSSIONS, WHICH WENT OVERBOARD, BACK TO A FEASIBLE GOAL. THE JUSTIFICATION THAT CLINTON NEEDS A TWO-THIRD MAJORITY IN THE SENATE TO RATIFY THE TREATY DEMONSTRATES THE LIMITS OF NATO ENLARGEMENT IN AMERICA. EUROPE WAS SO BUSY THINKING ABOUT RUSSIA, THE UKRAINE AND THE BALTIC STATES THAT IT OFTEN FORGOT ABOUT THIS LIMITATION. AS DEFENSE SECRETARY COHEN POINTED OUT IN BRUSSELS, THERE ARE CERTAIN WORRIES THAT A FAST AND TOO WIDE ENLARGEMENT WILL ENTAIL RISKS FOR THE COMMON DEFENSE AND THE U.S. ENGAGEMENT FOR EUROPEAN DEFENSE. AFTER ALL, THE COSTS, INCLUDING A MARKET FOR U.S. WEAPONS, WILL BE BORNE BY THE UNITED STATES. EVERYTHING NEEDS TO BE WELL

THOUGHT-THROUGH, AND TIME IS NOT PRESSING, ONLY THE NATO CANDIDATES WHO ARE NOT QUITE READY FOR ACCESSION.... OF COURSE, BEING CONSIDERATE TOWARDS RUSSIA IS THE MAIN REASON...PARIS, WHICH CALLED FOR THE ACCESSION OF ROMANIA, GAVE CLINTON THE LAST PUSH FOR HIS DECISION."

3. RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (6/14)
EDITORIALIZES:

"LEADING POWER AMERICA"

"THERE ARE GOOD REASONS FOR PRESIDENT CLINTON'S DECISION TO LIMIT THE FIRST ROUND OF NATO ENLARGEMENT TO THREE COUNTRIES: POLAND, HUNGARY AND THE CZECH REPUBLIC. IN ADDITION, THIS LIMITATION IS THE RIGHT SIGNAL TO THE OTHER COUNTRIES, ESPECIALLY THE BALTIC STATES, THAT THERE WILL BE A SECOND AND THIRD ACCESSION ROUND. THE FORM IN WHICH THIS WAS ANNOUNCED SUITED A WORLD POWER. THE BOTTOM LINE IN WASHINGTON IS: WE, AS THE MOST INFLUENTIAL AND IMPORTANT COUNTRY, DECIDE WHAT IS GOOD FOR NATO. THIS DECISION MAY BE GOOD FOR NATO. BUT NATO IS NOT A U.S. VASSAL, BUT AN ALLIANCE OF EQUAL COUNTRIES. THIS CONTEMPORARY WAY OF 'LEADING THE ALLIANCE' FITS RIGHT IN WITH THE SENATE'S DECISION TO PAY U.S. DUES AT THE UNITED NATIONS - PROVIDED THE UNITED STATES RECEIVES A REDUCTION AND U.S. REQUESTS WILL BE FULFILLED. MULTILATERALISM IS NO TOPIC ANYMORE."

4. WASHINGTON CORRESPONDENT UWE KNUEPFER FILED THE FOLLOWING EDITORIAL FOR CENTRIST GENERAL-ANZEIGER OF BONN (06/14) UNDER THE HEADLINE:

"CLINTON'S SKILLFULNESS."

"BILL CLINTON PUT HIS FOOT DOWN..... IN THE CAPITALS OF THE 15 NATO MEMBERS, THE DECREE FROM WASHINGTON WAS UNCLAS SECTION 04 OF 08 BONN 007250

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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BONN

ACCEPTED JUST AS THE COMMAND OF A TEACHER WHO SHOUTS
'QUIET' BEFORE A NOISY CLASS. THE PALAVER OF THE EUROPEANS

OFFERS THE BEST BACKGROUND FOR THE U.S. PREFERENCE TO DEMONSTRATE LEADERSHIP. WHEN EUROPEANS PONDER THE IFS AND/OR BUTS...THE AMERICANS PREFER A CLEAR DECISION.... IF THE ENLARGEMENT TO THE EAST SUCCEEDS, IF THE NEW COOPERATION WITH RUSSIA PROVES TO BE SUCCESSFUL, NATO WILL CHANGE ITS FACE AND CHARACTER - AND A SECOND ENLARGEMENT WILL POSSIBLY LOSE ITS HORROR....

"IN THE END, THE ALLIES EXPECT THE UNITED STATES TO SHOW LEADERSHIP. LONG AGO, PRESIDENT CLINTON STOPPED LOOKING FOR FOREIGN POLICY ADVICE AMONG THE ALLIES - AT THE LATEST, WHEN HE DECIDED TO PUT AN END TO THE BOSNIAN WAR WITH THE DAYTON TREATY. HE HAD TO GROW INTO THE ROLE OF A STATESMAN. EVERYBODY HOPED THIS, AND HE MADE IT. IF CLINTON RECEIVES HIS COLLEAGUES AT THE G-8 SUMMIT IN DENVER AT THE END OF THIS WEEK, NOBODY WILL ACT IN A MORE RELAXED AND SELF-ASSURED WAY THAN HE ON THE MINE FIELD OF INTERNATIONAL POLITICS. THIS NOISY CLASS (OF STATE LEADERS) IS STILL SECRETIVELY WHISPERING, BUT IN DENVER, THIS CLASS WILL QUIETLY AND RADIANTLY GATHER FOR A PHOTO OPPORTUNITY WITH THEIR TEACHER."

5. RIGHT-OF-CENTER MAERKISCHE ODERZEITUNG OF FRANKFURT ON THE ODER (06/14) ARGUES:

"IT IS QUITE A DIFFERENT MATTER THAT A 'SMALL' SOLUTION IN THE ENLARGEMENT PROCESS WILL CONTRIBUTE TO GROWING IMPATIENCE AND DISAPPOINTMENT AMONG THE OTHER POTENTIAL ACCESSION CANDIDATES. IN THE BALTIC STATES, FOR INSTANCE, WHICH HAVE CONSIDERABLY SUFFERED FROM RUSSIAN HEGEMONIC POLICY, RESIGNATION IS SPREADING. THIS WILL FORCE NATO TO ACT IF IT WANTS TO DO JUSTICE TO ITS CLAIM OF BEING A COMMUNITY THAT SHARES THE SAME VALUES. THOSE WHO WILL STAY OUTSIDE THE ALLIANCE AFTER THE MADRID SUMMIT, WILL CONTINUE TO KNOCK ON THE DOOR. AND THE LONGER THIS LASTS, THE GREATER WILL BE THE SUSPICION THAT THE ALLIANCE IS MORE INTERESTED IN FINDING AN ACCOMMODATION WITH THE KREMLIN, THAN IN SHOWING CONCERN ABOUT SECURITY INTERESTS OF ACCEPTANCE CANDIDATES. IN THE LONG RUN, NATO'S CREDIBILITY WOULD THUS BE PERMANENTLY DAMAGED."

6. RIGHT-OF-CENTER FULDAER ZEITUNG (06/14) HOLDS:

"PRESIDENT BILL CLINTON MADE UP HIS MIND AND CONVEYED HIS WILL TO BRUSSELS - TO THE DISLIKE OF THE MINOR FRENCH SUPERPOWER.... THE WESTERN LEADERSHIP POWER PRESENTS SOUND FINANCIAL REASONS AGAINST A BIGGER ENLARGEMENT OF THE ALLIANCE. THE PARIS GOVERNMENT WANTS TO INCREASE THE ROMANCE INFLUENCE WITH THE SUPPORT OF THE TWO SOUTHEASTERN EUROPEAN STATES IN ORDER TO IMPROVE ITS OWN POSITION TOWARDS THE UNITED STATES IN BRUSSELS."

UNCLAS SECTION 05 OF 08 BONN 007250

USIA

USIA FOR R/MR; INFO:WEU, R, I/G, I/GWEU, D/P, VOA/BRE;
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C. (U.S.) OKLAHOMA BOMBING

1. MARTIN WINTER STATES IN AN EDITORIAL IN
LEFT-OF-CENTER FRANKFURTER RUNDSCHAU (06/14) UNDER THE
HEADLINE:

"AN INVISIBLE POISON."

"MORE IS REQUIRED THAN THE LEGAL PROCESSING OF SUCH A
CRUEL CRIME AS THE OKLAHOMA CITY BOMBING. IF THE AMERICANS
FAIL TO FIND OUT WHAT PROMPTED SOMEBODY OUT OF THEIR MIDST
TO STAGE SUCH A TERRORIST ACT, THEN OKLAHOMA CITY WILL
CONTINUE TO AFFECT THE MINDS OF THE PEOPLE AS AN INVISIBLE
POISON. TIMOTHY MCVEIGH'S DEFENSE ATTORNEYS HIT THE NAIL
ON THE HEAD WHEN THEY SAY THAT MCVEIGH COULD BE THE SON OR
BROTHER OF ANYBODY ELSE. THIS IS WHAT IS SO UNNERVING....
THE ATTACK ON SOCIETY CAME FROM THIS SOCIETY AND MAKES
INEVITABLE THE QUESTION WHAT OTHER SELF-DESTRUCTIVE
POTENTIAL STILL LIES IN IT....

"IN THIS FAIRLY CONDUCTED TRIAL, WHICH WAS CARRIED OUT
IN A FACTUAL MANNER AND BY SHOWING RESPECT FOR THE
PROCEDURES OF THE RULE OF LAW, MCVEIGH HAS NOW BEEN
PRONOUNCED GUILTY. BUT THE QUESTION OF 'WHY' REMAINED
UNANSWERED. THE TENDENCY TO CONSIDER THIS CRIME THE
ISOLATED ACT OF A MAD ENEMY OF GOVERNMENT IS UNDERSTANDABLE
BUT NOT WITHOUT DANGER.... THE WILLINGNESS TO USE FORCE IS
LATENT IN U.S. SOCIETY AND CAN FIND A NEW MCVEIGH ANY TIME.
THE ROOTS OF THIS EVIL MUST BE ATTACKED. THIS IS NOT EASY,
SINCE THESE ARE ALSO THE ROOTS OF U.S. SOCIETY ITSELF."

2. MANFRED ROWOLD JUDGES IN AN EDITORIAL IN
RIGHT-OF-CENTER DIE WELT OF BERLIN (06/14) UNDER THE
HEADLINE:

"INCOMPREHENSIBLE."

"THE UNITED STATES SEEMS TO HAVE FOUND AGAIN ITS
INTERNAL PEACE WHICH IT LOST AFTER THE OKLAHOMA CITY
BOMBING. DEATH IS THE ANSWER TO THE DEATH OF 168
PEOPLE.... IT IS THE ONLY ANSWER WHICH U.S. SOCIETY WAS
WILLING TO ACCEPT. FOR MANY, THE VERDICT AGAINST TIMOTHY
MCVEIGH IS REVENGE WHICH MANY CONSIDER JUSTICE FOR A CRIME

NOBODY COULD UNDERSTAND. FOR THE AMERICANS, IT WAS INCOMPREHENSIBLE THAT THE GRAVEST TERRORIST ATTACK IN U.S. HISTORY WAS COMMITTED BY AN AMERICAN CITIZEN AND THAT IT TOOK PLACE IN THE HEART OF THE COUNTRY SO FAR AWAY FROM THE SYMBOLS OF POWER. MCVEIGH DESTROYED A PATRIOTIC ILLUSION WHICH IS TO BE REVIVED WITH HIS DEATH. FOR THE AMERICANS, HE IS AN UNSCRUPULOUS CRIMINAL, HE IS AN ACCIDENT IN THEIR HISTORY....

UNCLAS SECTION 06 OF 08 BONN 007250

USIA

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"BUT WOULD THE U.S. SYSTEM HAVE FAILED, IF THE JURY HAD COME TO A DIFFERENT CONCLUSION, THAT MCVEIGH WAS THE WRONG MAN? DOES THE SYSTEM ONLY FUNCTION IF IT FULFILLS THE EXPECTATIONS OF THE PUBLIC? THIS IS HARDLY THE CASE. THIS TRIAL, WHICH TOOK PLACE WITHOUT THE FUSS THAT SURROUNDED THE O.J. SIMPSON TRIAL, RESULTED IN THE OUTCOME MANY HOPED FOR, BECAUSE EVIDENCE CONVINCED THE JURY.... HOWEVER, IT IS A DIFFERENT STORY THAT THE UNITED STATES NEEDED THIS VERDICT TO HELP HEAL A WOUND OF ITS HISTORY."

3. WASHINGTON CORRESPONDENT PETER RZEZNITZECK WRITES IN AN EDITORIAL IN RIGHT-OF-CENTER RHEINISCHE POST OF DUESSELDORF (06/116) UNDER THE HEADLINE:

"VICIOUS CIRCLE OF VIOLENCE."

"CAN THE CRIME OF THE CENTURY BE ATONED WITH TIMOTHY MCVEIGH'S DEATH? THIS IS HARDLY THE CASE.... MCVEIGH'S EXECUTION WOULD ONLY BE A FURTHER ESCALATION OF THE 'CULTURE OF DEATH,' WHICH HAS, IN THE MEANTIME, INFLECTED THE WHOLE U.S. SOCIETY. IN A COUNTRY WHICH UNSCRUPULOUSLY USES WEAPONS AND EXPLOSIVES, WHERE NOBODY CAN ANY LONGER DIFFER BETWEEN SELF-PROTECTION AND SELF-JUSTICE, DEATH IS INCREASINGLY OMNIPRESENT. AND IN SUCH A SITUATION, THE STATE IS NOW ALSO KILLING PEOPLE IN THE NAME OF THE LAW. IT IS A VICIOUS CIRCLE. INDIVIDUAL CRIMINALS, GANGS, AND MILITIA GROUPS CONTRIBUTE TO JEOPARDIZING U.S. SECURITY - A PROBLEM THAT CANNOT BE RESOLVED EVEN WITH THE POTENTIAL OF A SUPERPOWER. WHERE INTEGRATION DEGRADES TO A THEORY FROM

INSTRUCTION BOOKS, WHERE SOCIAL DIFFERENCES BECOME INCREASINGLY OBVIOUS, LOSERS WILL MAKE THEMSELVES HEARD THROUGH SUCH ATTACKS....

"MCVEIGH'S MESSAGE SHOULD NOT BE IGNORED. NO POLITICAL OR IDEOLOGICAL CONCERN IS TOO UNREALISTIC NOT TO BE SERIOUSLY DISCUSSED BY DEMOCRACY. MCVEIGH AND HIS INTELLECTUAL ACCOMPLICES SHOULD HAVE BEEN TOLD MUCH EARLIER THAT THEY, WITH THEIR HOSTILITY TO THE STATE, HAVE CROSSED THE TOLERANCE LEVEL. IF THIS BOMBER WOULD HAVE BEEN AN IRANIAN OR LEBANESE, THE AMERICANS WOULD NOW WAGE A COLD WAR AGAINST THESE COUNTRIES. BUT NOW IT WAS ONE OF THEM, AND THIS INTENSIFIES HELPLESSNESS AND HORROR."

D. (U.S.-U.N.) BACK DUES

FRITZ WIRTH JUDGES IN AN EDITORIAL IN RIGHT-OF-CENTER DIE WELT OF BERLIN (06/16) UNDER THE HEADLINE:

"IMPERIAL STYLE."

"THE U.S. SENATE CLEARED THE PATH THROUGH THE U.S. UNCLAS SECTION 07 OF 08 BONN 007250

USIA

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MOUNTAIN OF DEBT WHICH THE UNITED STATES OWES TO THE UNITED NATIONS, BY DEMONSTRATING PROVOCATIVE ARROGANCE.... TO SHAKE ONE'S HEAD ALONE IS NO LONGER ENOUGH TO REGISTER OR COMMENT ON WASHINGTON'S UNILATERAL MOVES. IT IS ALSO NO LONGER ENOUGH TO POINT TO SENATOR JESSE HELMS AND CRITICIZE HIM AND BLAME ONLY THIS FOREIGN POLICY PROVINCIAL FOR THIS AFFRONT. THIS MOVE RATHER REVEALS GROWING UNEASE IN CONGRESSIONAL CIRCLES ABOUT INTERNATIONAL INSTITUTIONS SUCH AS NATO, THE U.N., OR THE WORLD BANK. THESE CIRCLES CONSIDER THESE INSTITUTIONS A BRAKE SHOE FOR U.S. SOVEREIGNTY THAT INTERFERE IN THE U.S. LEADERSHIP ROLE - AND ARE, IN ADDITION, TOO EXPENSIVE. FOR QUITE SOME TIME, THE UNITED STATES HAS NOW FELT THE PRICE FOR THIS VIEW IN THE U.N. IN PARTICULAR, SINCE ITS REPUTATION AND INFLUENCE HAVE REACHED AN ALL-TIME LOW.

"THE IMPERIAL STYLE WITH WHICH THE UNITED STATES OUSTED BOUTROS GHALI AND NOW DETERMINED ITS OWN DEBTS WITHOUT EVEN INDICATING THAT IT WANTS TO DISCUSS THESE DEBTS WITH THE REMAINING 184 MEMBERS SHOWS ITS EFFECT. BUT THOSE WHO ARE EXPOSED TO THIS ARROGANCE HAVE REASON TO BE ANGERED, SINCE THEY ARE THE VICTIMS OF THIS STRANGE METHOD TO REPAY DEBTS. THE EUROPEAN U.N. MEMBERS IN PARTICULAR WILL HAVE TO PAY MORE IN ORDER TO MAKE UP FOR THE HALF A BILLION DOLLARS WHICH THE UNITED STATES PRESENTED ITSELF...."

E. (ISRAEL) GOVERNMENT CRISIS

ERIK-MICHAEL BADER CONCLUDES IN AN EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (06/14) UNDER THE HEADLINE:

"UNWILLING."

"PRIME MINISTER NETANYAHU WILL NOT BE INDICTED BECAUSE OF THE BAR-ON AFFAIR. BUT THIS DOES NOT MEAN THAT NETANYAHU HAS NOW LIBERATED HIMSELF POLITICALLY FROM THE AFFAIR.... NETANYAHU HAS NOW BEEN RELIEVED FROM THIS BURDEN, BUT IT WILL HARDLY BENEFIT THE MIDDLE EAST PEACE PROCESS, SINCE HE NOW HAS TO DEAL WITH ANOTHER PROBLEM WHICH IS VERY APPROPRIATE FOR A GOVERNMENT CRISIS IN ISRAEL: THE RULES TO CONVERT TO ANOTHER RELIGION. IT IS WELL POSSIBLE THAT THIS CRISIS COMES AT THE RIGHT TIME FOR NETANYAHU TO CANCEL HIS TRIP TO WASHINGTON WHERE HE PROBABLY WOULD HAVE BEEN COME UNDER POLITICAL PRESSURE. AND RECENT EVENTS IN HEBRON MADE CLEAR THAT THE STANDSTILL OF THE PEACE PROCESS, WHICH HAS BEEN CAUSED BY ISRAELI STUBBORNNESS, ...HARBORS THE DANGERS OF AN EVEN GREATER ESCALATION...."

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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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SUBJECT: MEDIA REACTION NATO U.S. U.S.-U.N. ISRAEL AFRICA; BONN

F. (AFRICA) CONGO

WOLFGANG KUNATH ARGUES IN AN EDITORIAL IN
LEFT-OF-CENTER FRANKFURTER RUNDSCHAU (06/16) UNDER THE
HEADLINE:

"VICIOUS CIRCLE ON THE CONGO."

"AS IN MANY OTHER AFRICAN STATES, NOBODY IN CONGO
DREAMT OF A COMMON NATIONAL IDEAL, NOBODY DEFINED A
NATIONAL AIM, AND MAYBE EVEN MORE IN CONGO THAN IN ANY
OTHER AFRICAN COUNTRY, SOCIETY IS DISINTEGRATING INTO
ETHNIC GROUPS, TRIBES, AND CLIQUES UNDER THE SURFACE OF A
NATIONAL STATE AND ITS APPARATUS.... OF COURSE, CERTAIN
WAYS OF THINKING AND CERTAIN CONDITIONS CANNOT BE CHANGED
OVERNIGHT. WHERE SHOULD THIS IDEA OF COMMON GOALS COME
FROM, AND HOW SHOULD THE PEOPLE LEARN TO RELY ON SUCH AN
ABSTRACT THING AS AN ANONYMOUS STATE IF THE PEOPLE AGAIN
AND AGAIN EXPERIENCE THAT FAMILY BONDS, THE NET OF THE
ETHNIC GROUP ARE THE ONES THAT HOLD BEST. THIS IS WHY THE
FIRST LADY IS EVEN UNABLE TO HAND OVER A CUP FOR THE WINNER
OF A HANDBALL GAME IN 'HOSTILE TERRITORY' WITHOUT CREATING
A RIOT. THIS IS WHY THE PEOPLE IN BRAZZAVILLE, EVEN BEFORE
THE LATEST FIGHTING, CALLED CERTAIN SUBURBS 'BOSNIA' AND
'SARAJEVO' AND ARE NOW TALKING ABOUT ETHNIC CLEANSING....

"CONGO HAS CRUDE OIL, TIMBER AND NOT TOO MUCH MORE.
IN THE MAJORITY OF AFRICAN STATES WITH SUCH AN ECONOMIC
STRUCTURE, IT IS STILL THE STATE WHICH TAKES OVER THE
MANAGEMENT OF THESE RESOURCES. THIS MEANS THOSE WHO HAVE
THE STATE WILL BECOME RICH. THIS SIMPLE LAW IS THE REASON
WHY POWER IS SO ATTRACTIVE IN AFRICA AND WHY IT IS DEFENDED
TOOTH AND NAIL AND WITH UNFAIR MEANS...."
EARLE

SECT: SECTION: 01 OF 08
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NSC Cables
Jan 1997-Dec 1998 ([Jesse Helms or Senator Helms])
OA/Box Number: 520000

FOLDER TITLE:

[05/31/1997-08/08/1997]

2006-1363-F
vz5582

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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RUEABND/DRUG ENFORCEMENT ADMIN HQ WASHINGTON DC//POL//

RUEHIA/USIA WASHINGTON DC//R//

RUEHIA/USIA WASHINGTON DC//R/MR//

RUEHPE/AMEMBASSY LIMA

RUWMEGA/CDR 1ST BDE 228TH AVN BN FT KOBBE

RUWMEGA/CDR 1-228 AVN REG FT KOBBE PM//R2//

ACCT FBPA-EWDK

INFO: ////

SUBJ: Legislators React to Warnings by US Senators

TEXT:

UNCLAS 6R

WARNING: TOPIC: POLITICAL, INTERNATIONAL, HUMAN RIGHTS

SERIAL: PA2706152697

COUNTRY: PERU, UNITED STATES

SUBJ: Legislators React to Warnings by US Senators

REF: pa2506200997 lima radio programas del peru network spanish
251700 -- congressmen reject us envoy's statements on mig
29s

SOURCE: Mexico City NOTIMEX in Spanish 2118 GMT 23 Jun 97

TEXT:

[FBIS Translated Text] Lima, 23 Jun (NOTIMEX) -- Peruvian legislators today rejected the warning by US congressmen over a possible halt [bloqueo] in relations with the Lima government if there is a continuation of the alleged harassment against television entrepreneur Baruch Ivcher.

The Congress Labor Committee and the Peruvian opposition described as "disproportionate" the warning by Senator Jesse Helms and Representative Benjamin Gilman.

The US Congressional leaders sent a letter to President Fujimori

expressing their concern over the alleged persecution of Israeli-born Ivcher, who is 54.

Ivcher, who became a Peruvian citizen in 1984, is owner of Peru's Channel Two television, which reported the case of former intelligence officer Leonor La Rosa, who was tortured and accused by her colleagues of disclosing information.

After the La Rosa case, Ivcher's channel divulged secret documents on the income of Army Captain Vladimiro Montesinos, an adviser to the Fujimori Government, which generated a huge controversy in Peru and caused the businessman to go into self-exile in Miami.

In the letter sent to Fujimori and dated 17 June, the US legislators said that the accusations (against Baruch Ivcher) contain "stereotypes of the worst anti-Semitic style."

The Peruvian Armed Forces Joint Command accused Ivcher of disparaging the institution with his reports.

Luis Delgado Aparicio, president of the Congress Labor Committee, rejected the tone of the letter by Helms and Gilman, which he described as lacking objectivity in view that it hints that Ivcher will lose his nationality.

Harold Forsyth, legislator for the opposition Unity for Peru Party, recommended that the government treat the case with caution and avoid launching the argument that "we are sovereign and we are not accountable on domestic affair decisions, because it would cause laughter among Americans."

He recalled that it is the US Congress that authorizes or turns down foreign aid, and Republican Legislators Helms and Gilman have enough influence to cause a crack in bilateral relations.

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(endall) 232118 tc/alberro/lar gape2706.03e 27/1528z jun

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 RUESLE/AMCONSUL SHANGHAI 8599
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 ZEN/AMCONSUL CHENGDU
SUBJ: CHINA MEDIA REACTION -- JULY 21,22,1997

TEXT:
 UNCLAS BEIJING 026563

USIA

USIA FOR D, EA, B/VOA, B/VOA/F, R/MR, R/EA, I/GEA,
 B/TVW, B/TVP; STATE FOR EAP/CM

E.O. 12958: N/A

SUBJECT: CHINA MEDIA REACTION -- JULY 21,22,1997

SUMMARY: EXCERPTS FOLLOW.

SUBJECT: EU ENLARGEMENT; UN REFORM; FORMER YUGOSLAVIA:

1.EU ENLARGEMENT

"EU ANNOUNCES FIRST WAVE NAME LIST OF ITS EASTWARD ENLARGEMENT" (BY TANG YONGXING, OFFICIAL COMMUNIST PARTY "PEOPLE'S DAILY OVERSEAS EDITION" (RENMIN RIBAO HAIWAIBAN),07/19); "RUSSIA EXPRESSES WILLINGNESS TO JOIN EU" (BY WEI WEI, OFFICIAL COMMUNIST PARTY "PEOPLE'S DAILY" (RENMIN RIBAO),07/20)

EXCERPTS FROM "PEOPLE'S DAILY OVERSEAS EDITION": "IT IS PREDICTED THAT ...BARRING COMPLICATIONS, 2002 WILL BE THE EARLIEST YEAR TO SEE POLAND, THE CZECH REPUBLIC, HUNGARY, SLOVENIA, ESTONIA AND CYPRUS FORMALLY BECOMING NEW MEMBERS OF EUROPEAN UNION...

"THIS EASTWARD ENLARGEMENT OF THE EUROPEAN UNION IS

BEST DESCRIBED AS A 'CHALLENGE COEXISTING WITH OPPORTUNITY'. THE GRADUAL INTEGRATION OF EAST AND WEST EUROPE IS PERCEIVED AS PROMOTING EUROPEAN SECURITY AND STABILITY. FURTHER, THE INTEGRATION WILL ENLARGE THE ECONOMIC MARKET BY A HUNDRED MILLION PEOPLE. THE ANNOUNCEMENT OF THE CANDIDATE-COUNTRIES FOR EU MEMBERSHIP ENLARGEMENT INDICATES THAT EUROPEAN COUNTRIES CAN REACH A CONSENSUS WHEN THE FOCUS IS ON SIMILAR INTERESTS."

"THE U.S. APPLAUDED ESTONIA'S LISTING IN THE FIRST WAVE OF NOMINEES. THE U.S. HAS REPEATEDLY ASKED THE EUROPEAN UNION TO ABSORB THE BALTIC STATES AS COMPENSATION FOR NATO'S SHUTTING THEM OUT. THOUGH RUSSIA HAS ALWAYS OPPOSED THE BALTIC STATES ENTRY INTO NATO, A RUSSIAN FOREIGN MINISTRY SPOKESMAN SAID THAT RUSSIA DOES SUPPORT THE ENTRY OF THE BALTIC STATES IN THE EUROPEAN UNION."

2. UN REFORM

"FOREIGN MINISTRY SPOKESMAN ANSWERS REPORTERS' QUESTIONS" (BY XINHUA NEWS AGENCY, OFFICIAL COMMUNIST PARTY "PEOPLE'S DAILY" (RENMIN RIBAO), 07/19, "PEOPLE'S DAILY OVERSEAS EDITION" (RENMIN RIBAO HAIWAIBAN), FRONT PAGE, 07/19); "ANNAN PUTS FORWARD REFORM SCHEME" (BY ZHOU DEWU, "PEOPLE'S DAILY CORRESPONDENT IN UN, OFFICIAL COMMUNIST PARTY "PEOPLE'S DAILY" (RENMIN RIBAO), 07/20); "WEEKLY REVIEW OF CURRENT AFFAIRS--ANNAN PUTS FORWARD REFORM SCHEME" (BY LIU BAN, "PEOPLE'S DAILY OVERSEAS EDITION" (RENMIN RIBAO HAIWAIBAN), 07/21); "U.N. WON'T ACCEPT HEGEMONY" (BY YANG QUN, "WORLD NEWS," JIEFANG RIBAO, 07/22)

EXCERPTS FROM "PEOPLE'S DAILY" (07/19): "FOREIGN MINISTRY SPOKESMAN TANG GUOQIANG STATED THAT CHINA SUPPORTS NECESSARY AND PROPER REFORMS IN THE UN TO IMPROVE ITS EFFICIENCY AND PREPARE IT FOR THE CHALLENGES OF THE 21ST CENTURY. PEOPLE ARE EXPECTING THE UNITED NATIONS TO PLAY A MORE ACTIVE AND EFFECTIVE ROLE IN THE ECONOMIC AND SOCIAL CONCERNS MANY DEVELOPING COUNTRIES SHARE. THE UNITED NATIONS' MISSION IS TO SERVE ITS MEMBERS IN A BETTER AND MORE COMPREHENSIVE WAY WHILE LIVING UP TO THE PURPOSE AND PRINCIPLES OF THE UN CHARTER."

"HE ALSO SAID THAT CHINA APPRECIATES THE EFFORTS OF THE UN SECRETARY GENERAL. CHINA WILL CAREFULLY STUDY HIS REFORM PACKAGE AND HOPES ALL UN MEMBERS WILL SIT TOGETHER TO DISCUSS IT."

EXCERPTS FROM "PEOPLE'S DAILY" (07/20): "ANNAN DESCRIBES THE U.N. REFORMS AS THE BOLDEST, MOST COMPREHENSIVE AND OF FAR-REACHING SIGNIFICANCE..."

"THE 94-PAGE REPORT OF THE UN SECRETARY GENERAL AVOIDS THE MOST CONTROVERSIAL AND COMPLICATED ISSUE--UN REFORM. INSTEAD SECRETARY ANNAN FOCUSES ON ENHANCING UN

MANAGEMENT, ADJUSTING ORGANIZATIONAL STRUCTURE AND ESTABLISHING DEVELOPMENT FUND...

EXCERPTS FROM "WORLD NEWS", (07/22): "U.N. WON'T ACCEPT HEGEMONY"

"WHEN SECRETARY GENERAL ANNAN TOOK OFFICE, THE U.S. SAID THAT IT WOULD SOLVE THE ARREARS ISSUE, BUT AT THE SAME TIME IT ADDED A LOT OF CONDITIONS. SENATOR HELMS SAID THAT HE WOULD PROPOSE A BILL IN CONGRESS BLOCKING PAYMENT UNTIL THE U.N. REFORM IS IN ACCORDANCE WITH U.S. STANDARDS....AS PER THE CLINTON PROPOSAL THE US. WILL PAY PARTIAL ARREARS AND THE REMAINING WILL BE PAID ACCORDING TO THE PROGRESS OF THE U.N. REFORM.

"AMERICANS MIGHT BE USED TO ISSUING ORDERS RIGHT AND LEFT TO OTHER PEOPLE...HOWEVER THE WORLD IS CHANGING...THE U.N. SHOULD ADJUST ITSELF AND BE MORE EFFICIENT TO BETTER SERVE ALL MEMBER COUNTRIES, BUT NOT BE UNDER THE CONTROL OF ONE SINGLE COUNTRY. THIS IS SIGNIFICANT U.N. REFORM..."

3. FORMER YUGOSLAVIA

"WHY DOES NATO BESIEGE KARAJIC'S HOME" (BY GUO ZHIJIA, OFFICIAL CENTRAL LEGAL AND POLITICAL COMMISSION "LEGAL DAILY"(FAZHI RIBAO), 07/22/1997)

EXCERPTS: "MEDIA BELIEVE THAT THE RECENT ACTION TAKEN BY NATO TROOPS IS AIMED AT SENDING OUT A WARNING TO BOSNIAN SERBS AND KARAJIC HIMSELF. THE DAY BEFORE, BANNERS CARRYING KARAJIC'S PORTRAIT APPEARED IN SOME BOSNIAN SERB CITIES. THE SLOGANS, IN ENGLISH READ, 'DON'T TOUCH HIM', 'HE IS THE SYMBOL OF PEACE', 'HE IS FREEDOM'.

"IN RESPONSE, NATO DECIDED TO TAKE THE INITIATIVE AND SURROUND KARAJIC'S HOME IN A BID TO SHOW ITS FORCE TO THE BOSNIAN SERBS. THE INTENT IS TO PSYCHOLOGICALLY OVERWHELM THE BOSNIAN SERB HARDLINERS AND BREAK UP THE CONSTANT CYCLE OF REVENGE.

"A STREAM OF EVENTS IN BOSNIA-HERCEGOVINA RECENTLY SHOW THAT THE SITUATION THERE IS BECOMING INCREASINGLY COMPLICATED...IF NATO CANNOT ARREST KARAJIC AS QUICKLY AS POSSIBLE, THE PEACE PLAN WILL NOT MOVE FORWARD. DESPITE NATO'S CLAIM THAT KARAJIC IS UNDER STRICT SURVEILLANCE THROUGH SATELLITE AND GROUND INTELLIGENCE SYSTEMS, NATO TROOPS' ATTEMPT TO CATCH HIM WILL BE BY NO MEANS EASY.

"NATO'S ACTION, IS BOUND TO AROUSE RESISTANCE OF THE BOSNIAN SERBS. THERE ARE FEARS OF BOSNIAN SERB RETALIATION AND CONCERNS THAT BOSNIA-HERCEGOVINA WILL BECOME A SECOND SOMALIA. THE MEDIA BELIEVE THAT THE PEACE PROCESS OF BOSNIA-HERCEGOVINA HAS ENTERED INTO A MORE SENSITIVE PERIOD." BEASLEY

SECT: SECTION: 01 OF 01

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RUEHIA/USIA WASHINGTON DC//R//
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INFO: ////
SUBJ: TAKE 2 OF 2--Recent Government 'Excesses' Decried
TEXT: UNCLAS 6R
WARNING: TOPIC: POLITICAL, ECONOMIC, DOMESTIC

SERIAL: WA2207132297

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COUNTRY: PERU

SUBJ: TAKE 2 OF 2--Recent Government 'Excesses' Decried

REF: 97L11288B Lima Gestion (Internet version) in Spanish 15 Jul 97 /// Gestion 10 July).

SOURCE: Lima Gestion (Internet version) in Spanish 15 Jul 97

TEXT:

Moreover, though, we have to bear in mind that not all investors are alike. We must distinguish, first off, between the motivations of the speculative investor and those of the direct, long-term investor. The response of investors already established in Peru, who understand the problems and even have investment commitments, is different from the response of the new investors who are on the way.

Outside the business world, the country is also running the risk of angering the U.S. Congress, on whose Foreign Relations Committee Republican Jesse Helms is a force to be reckoned with. There have, in fact, already been reactions to the Ivcher affair, which we hope do not lead to measures against our country. The government has probably underestimated the maneuvering room that the Republicans, who control Congress today, have vis--vis the Clinton administration.

The Inner Circle of Power

All of these blunders by the government merely fuel speculation about what is really going on in the palace. The question running through all of the hypotheses is: To what extent do these abuses reflect or not reflect the will of the president?

If we view the power structure as a triangle (Fujimori, Hermoza, and Montesinos), there are those who think that everything is done without the knowledge of the president, who presumably hears about accomplished facts, albeit before they impact public opinion. The other possibility is that the president is taking the lead in these assaults, striking a difficult balance with the other sides of the triangle.

In either case, the fact is that the government is losing all sense of limits to its actions. The political or economic expediency of such actions is hidden, not visible. The forces that decide on one or another move have to be guessed at by the citizenry. The "rationality" of the regime is not obvious in accordance with the norms of democracy. In short, the country is standing on the edge of a political and economic precipice.

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RUFTAKC/UDITDUSAREUR HEIDELBERG GE
RUEHC/LABOR DEPT WASHDC//MCCAFFREY//
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SUBJ: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S.
SWITZERLAND U.S.-GERMANY; BONN

CONTENTS:

TEXT: UNCLAS SECTION 01 OF 09 BONN 009125

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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
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E.O. 12958: N/A

TAGS: NONE

SUBJECT: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S.
SWITZERLAND U.S.-GERMANY; BONN

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- A. LEAD STORIES SUMMARY
- B. (EU-U.S.) BOEING-MCDONNELL DOUGLAS MERGER
- C. (ASEAN) NEW MEMBERS
- D. (MIDDLE EAST) ARAFAT-LEVY MEETING
- E. (U.S.) CONGRESS AND FOREIGN POLICY
- F. (SWITZERLAND) DORMANT ACCOUNTS
- G. (U.S.-GERMANY) HERZOG IN WASHINGTON

- A. LEAD STORIES SUMMARY

HEADLINES

"GOVERNMENTS IN BONN AND POTSDAM AGREE ON EMERGENCY PROGRAM
FOR VICTIMS OF BURST DIKE" (FRANKFURTER ALLGEMEINE ZEITUNG)

"BURST DIKE OF ODER RIVER FORCES THOUSANDS TO FLEE"
(SUEDEDEUTSCHE ZEITUNG)

"THE FLOOD: NOW DIKES ARE BURSTING" (DIE WELT)

"FORCED EVACUATIONS ALONG THE ODER RIVER" (FRANKFURTER
RUNDSCHAU)

"FIRST BURST DIKE ON THE ODER RIVER" (GENERAL-ANZEIGER)

"CONTRIBUTIONS TO OLD AGE PENSION SYSTEM TO RISE AGAIN"
(GENERAL-ANZEIGER)

EDITORIALS FOCUS ON THE SURGE OF THE GERMAN STOCK
EXCHANGE INDEX AND THE AGREEMENT OF THE EU TO THE BOEING
MERGER. ZDF-TV'S EARLY EVENING NEWSCAST HEUTE AND ARD-TV'S
EARLY EVENING NEWSCAST TAGESSCHAU DEALT WITH THE FLOODS
ALONG THE ODER AND NEISSE RIVERS.

- B. (EU-U.S.) BOEING-MCDONNELL DOUGLAS MERGER

- 1. GERD PELLETIER COMMENTED ON ARD-TV'S (NATIONAL

CHANNEL ONE) ARLY EVENING NEWSCAST TAGESSCHAU (07/23):

"FOR THE EUROPEAN AIRBUS CONSORTIUM, THE COMPETITIVE CHANCE THAT THE EU COMMISSION HAS NOW OPENED IS ONLY COLD COMFORT. EVEN IN BRUSSELS, (POLITICIANS) ARE THINKING FURTHER AND ARE AWARE OF THE FACT THAT THE EUROPEAN CHANCES UNCLAS SECTION 02 OF 09 BONN 009125

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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TAGS: NONE

SUBJECT: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S. SWITZERLAND U.S.-GERMANY; BONN

IN THE SKIES HAVE BY NO MEANS INCREASED NOW. THE SLUGGISH AIRBUS CONSORTIUM...MUST BE REFORMED AND BE LED IN A MORE CONCENTRATED AND MORE ENTREPRENEURIAL WAY. IN THE FALL OF THIS YEAR, THE EU COMMISSION WILL PRESENT PROPOSALS TO ACHIEVE THIS GOAL IF THE AIRBUS PARTNERS ARE UNABLE TO BE SUCCESSFUL EARLIER."

2. H. SPEITEL SAID IN A COMMENTARY ON REGIONAL RADIO STATION WESTDEUTSCHER RUNDFUNK OF COLOGNE (07/23):

"THE EUROPEANS HAVE TO TAKE GREAT EFFORTS IF THEY WANT TO COUNTER THE MOVES OF THE U.S. AIRCRAFT PRODUCERS. THE CURRENT ANTIQUATED STRUCTURE OF AIRBUS DOES NOT ALLOW FRESH MONEY FOR NEW AIRCRAFT TO FLOW INTO THE COMPANY'S COFFERS. THIS WOULD ONLY BE POSSIBLE WITH A NORMAL SHAREHOLDERS' COMPANY. BUT THE FRENCH CONTINUE TO STONEWALL, AND THERE ARE NO INDICATIONS WHATSOEVER THAT THEY WILL SOON CHANGE THEIR MIND. BUT THE PARIS GOVERNMENT WILL ALSO HAVE TO LIVE WITH THE FACTS, NAMELY THAT THE GLOBAL SOVEREIGNTY IN THE AIR BELONGS TO THE AMERICANS, THE MERGER AND ACQUISITION AUTHORITIES IN EUROPE HAVE THEIR LIMITS AND THAT EUROPE'S AEROSPACE INDUSTRY HAS A CHANCE ONLY IF IT MOVES INTO THE DIRECTION WHICH THE MARKET FORCES REQUIRE."

3. REGIONAL RADIO STATION BAYERISCHER RUNDFUNK AIRED THE FOLLOWING COMMENTARY BY P. DUNKUSS:

"WE COULD GET THE IMPRESSION THAT THE EXCITEMENT ABOUT THE BOEING-MCDONNELL DOUGLAS MERGER HAS LESS TO DO WITH CIVIL AIRCRAFT BUT RATHER WITH THE INCAPABILITY OF THE EUROPEAN PARTNERS TO MAKE AIRBUS A FUTURE-ORIENTED COMPANY. THE FRENCH ARE MAINLY TO BLAME FOR THIS, BECAUSE THEY ARE

BLOCKING ALL MOVES IN THIS DIRECTION. IF THE PARIS GOVERNMENT OF ALL GOVERNMENTS HAS TRIED TO PREVENT THE U.S. MERGER, THEN THIS LOOKS LIKE A MOVE ACCORDING TO THE OLD SLOGAN: 'CATCH THE THIEF.'... BUT NOBODY SHOULD NOW THINK THAT THE WORST IS OVER FOR AIRBUS. ON THE CONTRARY, A PROFOUND REFORM OF EUROPE'S AEROSPACE INDUSTRY IS MORE URGENT THAN EVER AFTER THIS U.S. MERGER."

4. KLAUS-DIETER FRANKENBERGER HAS THIS TO SAY IN A FRONT-PAGE EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (07/24) UNDER THE HEADLINE:

"ALL-CLEAR SIGNAL."

"THE AGREEMENT BETWEEN BOEING AND THE EU COMMISSION...ALSO CREATED IMMEDIATE RELIEF. A TRADE WAR, FOR WHICH THE AMMUNITION HAD ALREADY BEEN PREPARED, HAS NOW BEEN AVERTED.... A NEGATIVE EU VOTE WOULD HAVE BEEN INTERPRETED IN WASHINGTON NOT AS A VOTE BY A MERGER AND ACQUISITION AGENCY BUT AS A HOSTILE POLICY. BUT THE EUROPEANS, TOO, EXPOSED THEMSELVES TO CRITICISM. PRESIDENT UNCLAS SECTION 03 OF 09 BONN 009125

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 EU-U.S. ASEAN MIDDLE EAST U.S. SWITZERLAND U.S.-GERMANY; BONN

CHIRAC, WHO IS INSPIRED BY THE NOTION OF A U.S. DOMINANCE IN THE WORLD, ALMOST SPURRED THE EU COMMISSION ON SAYING 'NON' TO THE MERGER - NOT AS GUARDIAN OF FAIR COMPETITION BUT AS PROTECTOR OF EUROPEAN, I.E. FRENCH INDUSTRIAL INTERESTS."

5. ANDREAS MIDDEL JUDGED IN A FRONT-PAGE EDITORIAL IN RIGHT-OF-CENTER DIE WELT OF BERLIN (07/24) UNDER THE HEADLINE:

"WE COULD HEAR A SIGH OF RELIEF ON EITHER SIDE OF THE ATLANTIC.... THE EU COMMISSION APPROVED THE MERGER BETWEEN BOEING AND MCDONNELL DOUGLAS. WE OWE IT TO EU COMMISSIONER KAREL VAN MIERT AND BOEING'S CEO PHIL CONDIT THAT THE CONTROVERSY DID NOT ESCALATE. CONDIT, BECAUSE HE ACCEPTED THE DEMANDS OF THE EU COMMISSION AT THE LAST MOMENT, AND VAN MIERT, BECAUSE HE RESOLUTELY PURSUED HIS COURSE DESPITE

POLITICAL THREATENING GESTURES.... FOR THE INDEPENDENCE OF THE EUROPEAN MERGER AND ACQUISITION AGENCY, THIS DECISION IS AN IMPORTANT CONTRIBUTION."

6. RIGHT-OF-CENTER SCHWAEBISCHE ZEITUNG OF LEUTKIRCH (07/24) NOTES:

"IT IS NOW ALSO CLEAR THAT AIRBUS WILL SIT ONLY IN THE SECOND ROW OF THE WINNERS, SINCE THE DECISION FROM BRUSSELS WILL NOT RESULT IN ONE ADDITIONAL EXTRA ORDER FOR AIRBUS. IT AT BEST HELPS THE EUROPEANS NOT TO BE CUT OFF FROM SOME SOLVENT CUSTOMERS IN THE WORLD IN THE COMING DECADE. BUT THE EU COMMISSION IS UNABLE TO PREVENT THE PARTICIPATING COUNTRIES IN THE AIRBUS CONSORTIUM FROM BLOCKING THEMSELVES WITH NATIONAL VANITIES. IF THIS GOES ON, BOEING/MCDONNELL DOUGLAS'S BOARD WILL BE PLEASED: IN THE END, BECAUSE OF THE INCAPABILITIES OF THE EUROPEAN GOVERNMENTS, THEY WILL GET BACK THE PIECE OF UNJUSTIFIED COMPETITIVE ADVANTAGE WHICH BRUSSELS WRANGLLED FROM THEIR HANDS YESTERDAY."

C. (ASEAN) NEW MEMBERS

1. PETRA KOLONKO ARGUES IN AN EDITORIAL IN RIGHT-OF-CENTER FRANKFURTER ALLGEMEINE (07/24) UNDER THE HEADLINE:

"WITHOUT CAMBODIA."

"FOR THE TIME BEING, CAMBODIA, WILL NOT BE ACCEPTED IN ASEAN. THIS ALLIANCE IS NOT VERY MUCH INTERESTED IN DEMOCRACY AND HUMAN RIGHTS, SINCE BURMA'S MILITARY DICTATORSHIP WAS WELCOME, BUT IT WAS OBVIOUSLY TOO RISKY FOR THE MAJORITY OF MEMBERS TO ACCEPT SUCH AN UNSTABLE COUNTRY AS CAMBODIA.... CAMBODIA IS A DIFFICULT PARTNER. NOT ONLY IN THE ASEAN COUNTRIES, THERE ARE POLITICIANS WHO UNCLAS SECTION 04 OF 09 BONN 009125

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 EU-U.S. ASEAN MIDDLE EAST U.S. SWITZERLAND U.S.-GERMANY; BONN

THINK THAT IT WOULD HAVE BEEN BETTER TO ACCEPT HUN SEN'S COUP AND THUS THE FAITS ACCOMPLIS TO AVOID A CIVIL WAR IN

THE DOWNTRODDEN COUNTRY. BUT HUN SEN EMBARRASSED ASEAN'S MEDIATORS, WHICH SHOULD HAVE CLEARLY REDUCED THE WILLINGNESS OF ASEAN TO IGNORE HUN SEN'S OFFENSE."

2. STEFAN KLEIN REMARKS IN AN EDITORIAL IN CENTRIST SUEDEDEUTSCHE ZEITUNG OF MUNICH (07/24) UNDER THE HEADLINE:

"THE STRATEGY DETERMINES THE SEATING ARRANGEMENT."

"(THE NON-ACCEPTANCE) OF CAMBODIA WAS A BLOW FOR ASEAN ITSELF. ITS SEVEN MEMBERS WANTED TO REALIZE THE DREAM OF THEIR FOUNDING FATHERS AND, ON THE OCCASION OF THEIR 30TH ANNIVERSARY, INCREASE THEIR COMMUNITY TO A COMMUNITY OF TEN MEMBERS. THE UNAVOIDABLE EXCLUSION OF CAMBODIA, HOWEVER, REMAINS A BLEMISH FOR THE ALLIANCE WHICH IS MADE UP TO ACT IN A HARMONIOUS AND CONSENSUAL MANNER. BUT EVEN WITH THE TWO NEWCOMERS, THIS CLUB OF ECONOMIC BOOMERS HAS NOT ENRICHED ITSELF.

"THE UNDERDEVELOPED, COMMUNIST-RULED LAOS IS THE SMALLER PROBLEM...WHILE THE BURDEN WHICH ASEAN HAS NOW SHOULDERED WITH BURMA IS MUCH HEAVIER.... AMONG ASEAN MEMBERS, THE WISH WAS OBVIOUSLY STRONGER TO INTEGRATE THE COUNTRY, WHICH IS RICH IN RAW MATERIAL, THAN THE DISLIKE TO INVITE THE PARIASH TO THE SAME TABLE. WITH THIS MOVE ASEAN ALSO WANTS TO MOVE BURMA A LITTLE BIT AWAY FROM THE CLOSE EMBRACE OF CHINA. THIS GIANT IS CREATING FEARS AMONG ASEAN MEMBERS BECAUSE OF ITS GROWING MILITARY POWER AND ITS CLAIMS IN THE SOUTH CHINESE SEA.... WITH BURMA'S INTEGRATION INTO THEIR COMMUNITY, ASEAN HOPES TO REDUCE CHINA'S STRONG INFLUENCE ON THE COUNTRY AND TO SET UP A STRONG COUNTERWEIGHT TO THE ASIAN GIANT. IT MAY BE THAT THESE STRATEGIC CALCULATIONS COME TRUE BUT THE PRICE COULD BE THAT AN UNFAIR REGIME WILL BECOME PRESENTABLE - THUS CREATING UNNECESSARY PROBLEMS IN THE RELATIONSHIP WITH WESTERN TRADING PARTNERS.

"THE BURMESE REGIME HAS GOT SUCH A BAD REPUTATION WITH THE EU THAT THE EUROPEANS DO NOT EVEN WANT TO INVITE BURMA TO THE EUROPE-ASIA SUMMIT WHICH IS PLANNED IN LONDON NEXT YEAR. FOR ASEAN, THIS WILL BE THE FIRST GREAT EMBARRASSMENT IF ONE OF ITS MEMBERS IS CONSIDERED DISREPUTABLE. BUT IT WOULD NOT BE THE FIRST TIME REALPOLITIK WON OVER MORAL DOUBTS. THIS IS WHY BURMA'S GENERALS CAN CONTINUE TO SHOW A RELAXED ATTITUDE - AND THE POWER POLITICIANS IN CAMBODIA CAN HOPE FOR A SECOND CHANCE."

D. (MIDDLE EAST) ARAFAT-LEVY MEETING

UNCLAS SECTION 05 OF 09 BONN 009125

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 USDELTC; 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 EU-U.S. ASEAN MIDDLE EAST U.S.
SWITZERLAND U.S.-GERMANY; BONN

1. JERUSALEM CORRESPONDENT ANNE PONGER FILED THE
FOLLOWING EDITORIAL FOR CENTRIST SUEDEDEUTSCHE ZEITUNG OF
MUNICH (07/24) UNDER THE HEADLINE:

"NETANYAHU IS PUSHED ASIDE"

"ISRAEL'S FOREIGN MINISTER LEVY AND YASSER ARAFAT MET
IN BRUSSELS AND CALLED THEIR TALKS 'UNUSUALLY PRODUCTIVE.'
AT THE SAME TIME, AN ISRAELI POLITICIAN DISCUSSED THE PEACE
PROCESS, ALTHOUGH HE IS NOT RESPONSIBLE FOR IT: ISRAEL'S
PRESIDENT WEIZMAN MET ARAFAT'S MOST IMPORTANT ENVOY,
MACHMUD ABBAS. AND THERE IS A THIRD RAY OF HOPE: CABINET
SECRETARY DANNY NAVEH TRAVELED TO WASHINGTON TO MEET DENNIS
ROSS AND DISCUSS HOW THE PEACE PROCESS COULD BE REVIVED.
IT SEEMS THAT BOTH SIDES HAVE FINALLY UNDERSTOOD THAT
STANDSTILL AND SPEECHLESSNESS CANNOT SAVE THE PRESENCE, LET
ALONE THE FUTURE.... IT MAY BE POSSIBLE THAT LEVY AND
WEIZMAN WANT TO MAKE A FOOL OF BELEAGUERED PREMIER
NETANYAHU, BUT THIS DOES NOT MATTER FOR THE PEACE PROCESS.
IT IS DECISIVE THAT THE LAME NO LONGER DETERMINES THE PACE.
THIS IS WHY THE TWO POLITICIANS DID THE RIGHT THING."

2. EVANGELOS ANTONAROS JUDGES IN AN EDITORIAL IN
RIGHT-OF-CENTER DIE WELT OF BERLIN (07/24) UNDER THE
HEADLINE:

"HELP IS WELCOME"

"THE FRIENDLINESS AND THE SHAKING OF HANDS BETWEEN
YASSER ARAFAT AND DAVID LEVY...WERE OVERDUE.... THE
MEETING IN BRUSSELS WAS CERTAINLY NO BREAKTHROUGH...BUT IT,
NEVERTHELESS, SHOWED THAT BOTH SIDES ARE FULLY AWARE OF THE
DANGERS THAT EMANATE FROM THE STANDSTILL IN THE PEACE
TALKS.... THEY ARE ESPECIALLY CONCERNED THAT THE
AMERICANS, THE REAL PEACEMAKERS IN THE REGION, HAVE SHOWN
CONSPICUOUS RESTRAINT. AND THERE IS NO DOUBT THAT THIS IS
DELIBERATE RESTRAINT....

"SEEN FROM THIS ANGLE, IT WAS REASONABLE THAT THE
EUROPEANS HAVE NOW STEPPED INTO THE BREACH AND OFFERED
MEDIATION ASSISTANCE. THE FACT THAT THE ISRAELIS IN
PARTICULAR - WHO HAVE SO FAR BEEN VERY SUSPICIOUS OF THE
EUROPEAN ENGAGEMENT - ACCEPTED THIS OFFER, SHOWS HOW
CRITICAL THE SITUATION IS. EACH OFFER FOR HELP IS WELCOME.
IN CONSULTATIONS WITH WASHINGTON, THE EUROPEANS SHOULD MAKE

GOOD USE OF THIS OPPORTUNITY."

E. (U.S.) CONGRESS AND FOREIGN POLICY

DIETER BUHL WRITES IN A FRONT-PAGE EDITORIAL IN LEFT-OF-CENTER WEEKLY DIE ZEIT OF HAMBURG (07/24) UNDER THE HEADLINE:
UNCLAS SECTION 06 OF 09 BONN 009125

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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TAGS: NONE

SUBJECT: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S. SWITZERLAND U.S.-GERMANY; BONN

"JESSE AGAINST THE REST OF THE WORLD"

"SINCE THE UNITED STATES HAS BEEN THE UNCONTESTED SUPERPOWER, THEY INDULGE IN ARROGANCE AND A LACK OF CONSIDERATION: AMERICA AGAINST THE REST OF THE WORLD. THIS CONFRONTATION IS BECOMING THE PATTERN IN INTERNATIONAL CRISES. IN THE STRUGGLE ABOUT UN REFORM, IT IS REACHING A NEW CLIMAX NOW.

"THOSE WHO SENSE A RETURN INTO THE OLD ISOLATIONISM BEHIND AMERICA'S RUDE MANNERS MISUNDERSTAND THE STATE OF MIND ON THE OTHER SIDE OF THE ATLANTIC. IT IS TRUE THAT FOREIGN POLICY MEETS WITH DECREASING RESONANCE IN THE VASTNESS OF THE COUNTRY, BUT THE INCREASING IMPORTANCE OF EXPORTS FOR AMERICA'S PROSPERITY IN PARTICULAR PROHIBITS A WITHDRAWAL FROM THE GLOBAL STAGE. THE MOTTO IS NOT TO TURN INWARD BUT TO HAVE ONE'S WAY. AMERICA'S WILL AND IDEAS SHOULD DETERMINE THE COURSE OF THE WORLD. WHETHER A SECRETARY-GENERAL OF THE UNITED NATIONS HAS TO LEAVE OFFICE, OR WHETHER TURKEY IS FORCED UPON THE EUROPEAN UNION AS A MEMBER, OR WHETHER ONLY THREE CANDIDATES ARE ALLOWED TO JOIN NATO - WASHINGTON KNOWS WHAT IS GOOD FOR EVERYBODY.

"WITH CONSTANT ATTACKS ON THE UNITED NATIONS, THE SELF-PROCLAIMED FOREIGN MINISTERS ON CAPITOL HILL DEMONSTRATE THEIR POLITICAL UNDERSTANDING...IN A PARTICULARLY CRASS MANNER. A WORLD ORGANIZATION LA CARTE WOULD BE TO THEIR LIKING. THE GOOD UN SUPPORTS U.S. INTERVENTIONS IN THE GULF, ANGOLA, OR HAITI, WHILE THE BAD

ONE, HOWEVER, DEMANDS MONEY....

"JESSE HELMS & CO. ARE TO A LARGE EXTENT IMMUNE TO THEIR PREDECESSORS' GLOBAL SENSE OF MISSION. RATHER, THEY CONFIRM WHAT HAS BECOM EVER MORE OBVIOUS SINCE THE END OF THE COLD WAR DURING WHICH THERE WAS A SENSE OF NATIONAL DISCIPLINE: FOREIGN POLICY IS LOCAL, TOO.... BY THIS MANNER, FOREIGN AFFAIRS BECOME EVER MORE PROVINCIAL. FOR LACK OF AN EXTERNAL THREAT TO NATIONAL INTERESTS, THE WORLD POWER IS INCREASINGLY DEDICATING ITSELF TO THE PET PROJECTS OF INDIVIDUAL POLITICIANS.

"THE PRESIDENT PAYS TRIBUTE TO THE SHIFTED BALANCE OF POWER BETWEEN THE WHITE HOUSE AND CAPITOL HILL. DURING HIS LAST TERM OF OFFICE AND FACING A REPUBLICAN MAJORITY IN CONGRESS, HE CAN ONLY CONDUCT FOREIGN POLICY IN A GENTLE WAY. BUT AS BILL CLINTON HIMSELF IS NOT IMMUNE TO HUBRIS, HE WILL HARDLY PUT AN END TO THE ARROGANCE OF HIS ONCE AGAIN MUCH- ADMIRER COUNTRY. THIS IS WHY, IN TERMS OF WORLD POLITICS, THE STRONG ONE FEELS MOST POWERFUL WHEN ACTING ON A UNILATERAL BASIS. WHO - APART FROM EUROPE - COULD SET AMERICA RIGHT? AMERICA'S LORD-OF-THE-MANOR BEHAVIOR HAS GIVEN THE EUROPEAN UNIFICATION PROCESS MORE UNCLAS SECTION 07 OF 09 BONN 009125

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 XOOX

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TAGS: NONE

SUBJECT: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S. SWITZERLAND U.S.-GERMANY; BONN

THAN ONE IMPETUS. RIGHT NOW, THERE IS AGAIN REASON FOR UNITY. FROM WASHINGTON'S UN-PHOBIA TO THE DANGER OF A BOEING/MCDONNELL DOUGLAS MONOPOLY, THE EUROPEAN UNION SHOULD STAND IN OPPOSITION. THIS WOULD BE MUCH MORE THAN SERVING ITS OWN INTERESTS. THE EUROPEANS WOULD ALSO HAVE THE WORLD ON THEIR SIDE."

F. (SWITZERLAND) DORMANT ACCOUNTS

1. P. EVERS COMMENTED ON REGIONAL RADIO STATION SENDER FREIES BERLIN (07/23):

"THE SWISS EFFORTS ARE WORTH RECOGNIZING, BUT WE SHOULD NOT FORGET THAT ALL EFFORTS WERE BASICALLY NOT MADE

ON A VOLUNTARY BASIS. AND THE CURRENT ADVERTISING CAMPAIGN SHOULD BE SEEN IN THIS CONTEXT. ONLY A FEW MONTHS AGO, THE SWISS BANKERS' ASSOCIATION SAID WITH A TRUE RING OF CONVICTION THAT THERE ARE NO DORMANT ACCOUNTS OF HOLOCAUST VICTIMS ON SWISS BANKS.... HOWEVER, IN THE END, A LOSS OF IMAGE AND THE FEAR OF THEIR BUSINESSES HAVE PROMPTED THE SWISS BANKS TO TAKE THE BULL BY THE HORNS, SINCE MORAL INSIGHT CAN HARDLY BE USED FOR THE EXPLANATION THAT THE BANKS STARTED THEIR SEARCH FOR THESE ACCOUNTS ONLY 50 YEARS AFTER THE END OF THE WAR TO RETURN THE MONEY TO THEIR MISSING CUSTOMERS."

2. F. WIESE SAID IN A COMMENTARY ON NATIONAL RADIO STATION DEUTSCHLANDFUNK OF COLOGNE (07/23):

"THIS ADVERTISING CAMPAIGN COMES TOO LATE. IT CANNOT POLISH UP THE SHATTERED SWISS IMAGE. IN ADDITION, THIS CAMPAIGN IS DISHONEST, SINCE IT IS BASED MAINLY ON THE FEAR OF THE LOSS OF INTERNATIONAL BANK DEALS AND OF U.S. COMPENSATION DEMANDS. THE FACT THAT THEIR PAST COLLABORATION WITH THE NAZIS AND THEIR DISGRACEFUL REJECTION OF PERSECUTED JEWS IS NOW CATCHING UP WITH THE SWISS IS NO REASON FOR MALICIOUS GLEE - AT LEAST NOT IN GERMANY. THE GERMANS WERE THE RELENTLESS PURSUERS AND MURDERERS OF THE JEWS, AND OUR COMING TO TERMS WITH THE PAST IS ALSO A TRAGEDY."

3. JOSEF JOFFE STATES IN AN EDITORIAL IN CENTRIST SUEDEDEUTSCHE ZEITUNG OF MUNICH (07/24) UNDER THE HEADLINE:

"GUILT AND RETURN WITH INTEREST."

"MORALS HAD TO BE GIVEN A HELPING HAND, AND THIS REDUCES OUR DELIGHT AND ADMIRATION (FOR THE SWISS). FINANCIAL EXPERTS WILL ALSO WONDER: ONLY 60 MILLION? AND WHAT ABOUT AN INFLATIONARY COMPENSATION AND THE COMPOUND INTEREST WHICH THE BANKS USED TO INCREASE THEIR PROFITS? NO, THIS ADVERTISING CAMPAIGN IS NOT THE GREAT, LIBERATING UNCLAS SECTION 08 OF 09 BONN 009125

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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SUBJECT: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S. SWITZERLAND U.S.-GERMANY; BONN

GESTURE. THE SWISS LOOKED LIKE SOMEONE WHO WAS CAUGHT IN THE ACT, BUT WHO REALIZED ONLY IN A CROSS-EXAMINATION THAT ALL BACK DOORS WERE BLOCKED....

"THE REALLY INTERESTING MORAL IS ANOTHER ONE, AND THIS AFFECTS EVERY STATE 53 YEARS AFTER HITLER: EVERYBODY WILL BE CAUGHT UP BY THE PAST, AND A FINAL CUT IS ONLY A LINE DRAWN IN THE SAND. DORMANT ACCOUNTS ARE NO CUSHION WHERE SOMEONE CAN REST, AND THE SWISS LEARNED THIS LESSON. BUT SWEDEN, TOO, ANOTHER NEUTRAL COUNTRY THAT PROFITED FROM THE WAR, IS SLOWLY WAKING UP. AND THE SAME IS TRUE FOR FRANCE AND THE NETHERLANDS WHICH HAVE LIVED FOR FORTY YEARS ON THE LIE THAT THEY RESISTED NAZISM."

4. CENTRIST HEILBRONNER STIMME (07/24) NOTES:

"FOR DECADES, THE SWISS BANKS MADE PROFITS WITH THE DEPOSITS OF PEOPLE WHO WERE KILLED WHEN GERMANY TURNED INTO A COUNTRY...OF HANGMEN. THIS (ADVERTISING CAMPAIGN) DOES NOT SHOW A LIST OF CUSTOMERS BUT A LIST OF VICTIMS.... EACH NAME REPRESENTS AN OBSCENE BUSINESS POLICY WITHOUT ANY BUSINESS MORAL. THOSE WHO FEEL GUILTY AFTER SUCH A LONG TIME, NO LONGER NEED TO BE ASKED FOR THEIR PRINCIPLES. MONEY HAS SPOILT THE CHARACTER EVEN THE ONE OF NOBLE BANKERS."

G. (U.S.-GERMANY) HERZOG IN WASHINGTON

1. LOTHAR LOEWE SAYS IN AN EDITORIAL IN MASS-CIRCULATION RIGHT-OF-CENTER BILD ZEITUNG OF HAMBURG (07/24) UNDER THE HEADLINE:

"FRIENDSHIP DESPITE DIFFERENCES"

"EVEN AT THE THRESHOLD OF THE 21ST CENTURY, GERMANS AND AMERICANS ARE SITTING IN THE SAME BOAT. THIS IS THE CENTRAL MESSAGE WHICH PRESIDENT HERZOG IS CONVEYING TO THE AMERICANS DURING HIS VISIT TO WASHINGTON. DESPITE SOME POLITICAL AND ECONOMIC DIFFERENCES, TRANSATLANTIC PARTNERSHIP BETWEEN GERMANY AND THE UNITED STATES CONTINUES TO BE NECESSARY TO MASTER TOGETHER THE GLOBAL CHALLENGES RANGING FROM POLITICS VIA TECHNOLOGY TO THE PROTECTION OF THE ENVIRONMENT. PRESIDENT CLINTON AND THE U.S. CONGRESS RESPONDED POSITIVELY TO THESE ADMONISHING AND FRIENDLY REMARKS OF THE GERMAN PRESIDENT. GERMANY AND THE UNITED STATES WILL NOT DRIFT APART."

2. RIGHT-OF-CENTER MAIN-ECHO OF ASCHAFFENBURG (07/24) CONCLUDES:

AT CLOSER INSPECTION, GERMAN-AMERICAN PARTNERSHIP IN THE 21ST CENTURY, WHICH PRESIDENT HERZOG CALLED FOR IN UNCLAS SECTION 09 OF 09 BONN 009125

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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TAGS: NONE

SUBJECT: MEDIA REACTION EU-U.S. ASEAN MIDDLE EAST U.S.
SWITZERLAND U.S.-GERMANY; BONN

WASHINGTON, IS A PARTNERSHIP ON CALL. AND IT DEPENDS ON
HOW THE EUROPEANS SHAPE THIS 21ST CENTURY, IT MAY EVEN BE
POSSIBLE THAT WE NO LONGER HAVE A GERMAN PRESIDENT AT THE
END OF THIS CENTURY. HISTORY WILL SHOW WHETHER THIS WAS A
POSITIVE DEVELOPMENT FOR THE PEOPLE."

ARNETT

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SIT: BUJOLD PETERS
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Cable

PREC: ROUTINE
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TO: RUEHC/SECSTATE WASHDC 8731
INFO: RUEHLP/AMEMBASSY LA PAZ 2361
RUEHQT/AMEMBASSY QUITO 9017
RUEHBO/AMEMBASSY BOGOTA 0578
RHLBAAA/USCINCSO QUARRY HEIGHTS PM
RUEHSG/AMEMBASSY SANTIAGO 1603
RUCPDOG/USDOC WASHDC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEHCV/AMEMBASSY CARACAS 1965
SUBJ: FLYING HIGH, PERU'S ECONOMY HITS POLITICAL TURBULENCE
TEXT:
UNCLAS SECTION 01 OF 04 LIMA 006376

C O R R E C T E D COPY//ADDING E.O. AND TAG LINES

SENSITIVE

STATE FOR ARA/AND (KASKA) AND EB/OMA (PATRICKS)
TREASURY FOR OASIA (ZELIKOW, JUBA AND NEIL)
TREASURY PLS PASS NY FED FOR FRIED
EXIMBANK FOR DON HULTMAN
USDOC FOR 4331/ITA/WH/OLA/TWELCH
SOUTHCOM FOR POLAD

E.O. 12958: N/A
TAGS: ECON, EFIN, PGOV, PE
SUBJECT: FLYING HIGH, PERU'S ECONOMY HITS POLITICAL TURBULENCE

REF: A) LIMA 4644, B) LIMA 6279 C) LIMA 2473

1. SENSITIVE BUT UNCLASSIFIED.

2. (SBU) SUMMARY. PERU RECENTLY POSTED ITS BEST ECONOMIC RESULTS IN TWO YEARS, WITH GROWTH RUNNING AT A 6.5-7 PERCENT ANNUAL RATE DURING THE FIRST SIX MONTHS OF THE YEAR AND INFLATION REMAINING STEADY AT ABOUT 9.5 PERCENT FOR THE YEAR ENDING IN JUNE. POLITICAL EVENTS, HOWEVER, HAVE CLOUDED THE ECONOMIC OUTLOOK. DISQUIETED BY

A SERIES OF MISCUES BY THE GOVERNMENT, PERU'S BUSINESS COMMUNITY BROKE ITS CUSTOMARY SILENCE ON MATTERS POLITICAL IN JULY, CALLING ON PRESIDENT FUJIMORI TO PUT HIS HOUSE IN ORDER. DESPITE THE BRAVE BLUSTER OF THE GOVERNMENT (AND ONE U.S. BANK EXECUTIVE), THERE ARE SIGNS THAT THE POLITICAL TURMOIL HAS BEGUN TO AFFECT PERU'S ECONOMY, INCLUDING A SELLOFF AT THE LIMA STOCK EXCHANGE AND A DECREASE IN PERUVIAN BRADY BOND PRICES. END SUMMARY.

3. (U) MACRO HIGHLIGHTS

-- PERU'S ECONOMY EXPANDED AT A 7.2 PERCENT ANNUAL RATE DURING JANUARY-MAY 1997. GOP OFFICIALS ESTIMATE GROWTH FOR THE FIRST SIX MONTHS AT 6.5-7 PERCENT.

-- INFLATION CAME IN AT 9.5 PERCENT FOR THE YEAR ENDING IN JUNE, MARKING THE FIFTH CONSECUTIVE MONTH IN SINGLE DIGITS.

-- MONETARY POLICY REMAINS TIGHT, WITH PRIMARY EMISSION (PERU'S MONETARY BASE) UP BY 12.2 PERCENT FOR THE YEAR ENDING IN JUNE 1997.

-- PERUVIAN EXPORTS GREW BY NEARLY 16 PERCENT DURING THE FIRST FIVE MONTHS OF 1997, COMPARED WITH THE SAME PERIOD IN 1996.

-- FOREIGN EXCHANGE RESERVES CONTINUED TO CLIMB, REACHING 9.7 BILLION DOLLARS ON JUNE 30, 1997.

-- THE LIMA EXCHANGE GENERAL INDEX DROPPED SHARPLY IN MID-JULY FOLLOWING A SERIES OF POLITICAL MISSTEPS BY THE GOP.

BROAD-BASED GROWTH

4. (U) PERU REGISTERED ITS BEST ECONOMIC RESULTS IN TWO YEARS DURING THE FIRST SIX MONTHS OF 1997. ECONOMIC GROWTH CAME IN AT 7.2 PERCENT FOR THE JANUARY-MAY PERIOD, COMPARED WITH THE SAME PERIOD IN 1996. OFFICIQ STATISTICS FOR THE FIRST SIX MONTHS OF THE YEAR ARE NOT YET AVAILABLE, BUT GOVERNMENT OFFICIALS TELL US THAT THEY EXPECT GROWTH FOR THAT PERIOD TO BE IN THE 6.5-7 PERCENT RANGE. CONSTRUCTION AND FISHERIES LED PERU'S ECONOMIC RECOVERY, EXPANDING BY 14.2 PERCENT AND 7.9 PERCENT RESPECTIVELY DURING THE JANUARY-MAY PERIOD. THE ECONOMIC SURGE HAS BEEN BROADLY BASED, HOWEVER, WITH EVERY SECTOR GROWING AT CLOSE TO FIVE PERCENT OR BETTER. EVEN PERU'S USUALLY LAGGARD MANUFACTURING SECTOR GREW BY 7.4 PERCENT DURING THE PERIOD.

5. (U) THE STRONG GROWTH FIGURES CAME DESPITE A GOP SPENDING SLOWDOWN CAUSED BY HIGHLAND FLOODING AND INADEQUATE ABSORPTIVE CAPACITY DURING THE FIRST QUARTER OF THE YEAR. ACCORDING TO CENTRAL BANK STATISTICS, PERU RAN A PRIMARY BUDGET QRPLUS (DEFINED AS ALL REVENUES EXCEPT PRIVATIZATION RECEIPTS MINUS ALL EXPENDITURES EXCEPT DEBT SERVICE) EQDAL TO 3.7 PERCENT OF GDP DURING THE FIRST QUARTER OF 1997. HIGHER THAN EXPECTED GOVERNMENT REVENUES ALSO HELPED ACCOUNT FOR THE STRONG FISCAL SHOWING. THE GOVERNMENT'S 1997 IMF PROGRAM, APPROVED DURING A JUNE 25 IMF BOARD MEETING, CALLS FOR A 1997 PRIMARY SURPLUS OF ONLY 1.3 PERCENT OF

GDP. AS A RESULT, ANALYSTS HERE BELIEVE THAT THE GOP WILL HAVE CONSIDERABLE FREEDOM TO BOOST SPENDING AND PRIME THE ECONOMY FURTHER IN THE THIRD AND FOURTH QUARTERS.

6. (U) GROSS DOMESTIC PRODUCT -- GROWTH RATES

SECTOR	MAY	JAN-MAY
-----	---	-----
AGRICULTURE	5.3	9.3
FISHING	16.0	7.9
MINING	5.8	4.8
ELECTRICITY	Q4.0	5.1

UNCLAS SECTION 02 OF 04 LIMA 006376

C O R R E C T E D COPY//ADDING E.O. AND TAG LINES

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 SOUTHCOM FOR POLAD

E.O. 12958: N/A

TAGS: ECON, EFIN, PGOV, PE

SUBJECT: FLYING HIGH, PERU'S ECONOMY HITS POLITICAL TURBULENCE

MANUFACTURING	7.5	7.4
CONSTRUCTION	18.3	14.2
COMMERCE	3.6	6.9
OTHER	4.7	5.1

TOTAL	6.5	7.2

NOTE: FIGURES ARE FOR THE SPECIFIED PERIOD COMPARED WITH THE SAME PERIOD ONE YEAR EARLIER.

 VIRTUOUS CIRCLE

7. (U) THE GOOD NEWS ON ECONOMIC GROWTH IN JUNE WAS ACCOMPANIED BY EQUALLY WELCOME NEWS ON INFLATION. CONSUMER PRICE INFLATION CAME IN AT JUST 9.5 PERCENT FOR THE YEAR ENDING IN JUNE, MARKING THE FIFTH CONSECUTIVE MONTH INFLATION REMAINED IN THE SINGLE DIGITS. IN COMPARISON, IN THE 20 YEARS PRECEDING FEBRUARY 1997, INFLATION FOR ANY CONSECUTIVE TWELVE-MONTH PERIOD NEVER ONCE DIPPED INTO THE SINGLE DIGITS. CONTINUED TIGHT MONETARY RESTRAINT HELPED ACCOUNT FOR LOW INFLATION DURING THE FIRST SIX MONTHS OF THE YEAR. FOR THE YEAR ENDING IN JUNE, PERU'S MONETARY BASE (HIGH POWERED MONEY, INCLUDING CASH AND BANK DEPOSITS IN THE CENTRAL BANK) GREW

BY 12.2 PERCENT, DOWN FROM OVER 30 PERCENT JUST EIGHTEEN MONTHS PREVIOUSLY.

8. (U) GOVERNMENT OFFICIALS SAY THAT PERU'S ECONOMY IS BENEFITING FROM A "VIRTUOUS CIRCLE" THIS YEAR WITH THE REVERSAL OF SEVERAL INTERNATIONAL PRICE TRENDS WHICH NEGATIVELY AFFECTED THE PERUVIAN ECONOMY LAST YEAR. IN 1996, SHARPLY HIGHER INTERNATIONAL FOODGRAIN AND PETROLEUM PRICES KEPT PERU'S INFLATION STATISTICS IN THE DOUBLE DIGITS (AT 11.8 PERCENT) WHILE BOOSTING THE COUNTRY'S CURRENT ACCOUNT DEFICIT. THIS YEAR, GOVERNMENT OFFICIALS SAY, LOWER INTERNATIONAL FOODGRAIN AND PETROLEUM PRICES HAVE HELPED KEEP PERUVIAN INFLATION UNDER CONTROL. INTERNATIONAL PRICE TRENDS ALSO HELPED KEEP PERU'S CURRENT ACCOUNT DEFICIT UNDER CONTROL DURING THE FIRST QUARTER OF 1997. A REBOUND IN INTERNATIONAL COPPER PRICES HELPED PUSH PERU'S CURRENT ACCOUNT DEFICIT DOWN TO 3.9 PERCENT OF GDP FOR THE FIRST QUARTER, WELL BELOW THE FUND'S TARGET OF 5.3 PERCENT OF GDP FOR THE YEAR.

9. (U) CONSUMER PRICE INFLATION

COMMODITY GROUP	MAY	JUNE
-----	---	----
FOODSTUFFS	1.1	1.6
CLOTHING	1.1	0.3
RENT/UTILITIES	-0.4	0.0
CONSUMER DURABLES	0.7	0.9
HEALTH CARE	1.0	0.7
TRANSPORT/COMMUNICATIONS	0.0	1.1
EDUCATION/RECREATION	0.1	0.2
OTHER GOODS/SERVICES	0.5	0.5
-----	---	----
TOTAL	0.8	1.1

NOTE: INFLATION STATISTICS ARE REPORTED BY THE NATIONAL STATISTICAL INSTITUTE (INEI). FIGURES ARE FOR THE PERIOD COMPARED WITH THE PREVIOUS MONTH.

POLITICAL TURBULENCE

10. (SBU) DESPITE THE GOOD NEWS ON INFLATION AND GROWTH, A SERIES OF RECENT GOVERNMENT MISCUES HAVE CLOUDED PERU'S ECONOMIC OUTLOOK. SEEKING TO CLEAR THE WAY FOR PRESIDENT FUJIMORI'S PARTICIPATION IN THE NEXT PRESIDENTIAL ELECTIONS, SCHEDULED FOR THE YEAR 2000, THE PERUVIAN CONGRESS DISMISSED THREE MAGISTRATES WHO VOTED AGAINST REELECTION FROM THE COUNTRY'S CONSTITUTIONAL TRIBUNAL IN LATE MAY. THE MOVE PROVOKED A PUBLIC OUTCRY BOTH WITHIN PERU AND ABROAD. ALSO IN LATE MAY, THE JOINT MILITARY COMMAND LAUNCHED A PUBLIC CAMPAIGN AGAINST BARUCH IVCHER, MAJORITY OWNER OF FRECUENCIA LATINA, ONE OF PERU'S MOST POPULAR TELEVISION STATIONS. THE JOINT MILITARY COMMAND ISSUED A STATEMENT CLAIMING THAT FRECUENCIA LATINA UNDER IVCHER'S DIRECTION HAD WAGED A CAMPAIGN AGAINST THE PRESTIGE OF PERU'S MILITARY.

11. (SBU) IN EARLY JULY, THE DIRECTOR OF PERU'S IMMIGRATION AND UNCLAS SECTION 03 OF 04 LIMA 006376

C O R R E C T E D COPY//ADDING E.O. AND TAG LINES//

SENSITIVE

STATE FOR ARA/AND (KASKA) AND EB/OMA (PATRICKS)
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TREASURY PLS PASS NY FED FOR FRIED
EXIMBANK FOR DON HULTMAN
USDOC FOR 4331/ITA/WH/OLA/TWELCH
SOUTHCOR FOR POLAD

E.O. 12958: N/A

TAGS: ECON, EFIN, PGOV, PE

SUBJECT: FLYING HIGH, PERU'S ECONOMY HITS POLITICAL TURBULENCE

NATURALIZATION POLICE ISSUED A FINDING THAT IVCHER HAD IMPROPERLY OBTAINED PERUVIAN CITIZENSHIP WITHOUT FIRST RENOUNCING HIS ISRAELI CITIZENSHIP (REF B). THE SAME DAY, FRECUENCIA LATINA REPORTED THAT THE GOVERNMENT OF PERU ROUTINELY MONITORS TELEPHONE CONVERSATIONS INVOLVING PROMINENT BUSINESSMEN AND POLITICIANS. PRESIDENT FUJIMORI'S POPULARITY, WHICH HAD ALREADY ERODED DRAMATICALLY FROM ITS POST-HOSTAGE CRISIS HIGH, PLUMMETED FURTHER. BY MID-JULY, THE PERCENTAGE OF PERUVIANS APPROVING OF PRESIDENT FUJIMORI'S PERFORMANCE HAD FALLEN TO BELOW 30 PERCENT, ACCORDING TO MOST POLLS, DOWN FROM NEARLY 70 PERCENT JUST TWO SHORT MONTHS BEFORE.

SPEAKING OUT

12. (U) BY MID-JULY, PERU'S BUSINESS LEADERSHIP HAD BECOME SUFFICIENTLY CONCERNED ABOUT THE ECONOMIC IMPLICATIONS OF THE CURRENT POLITICAL IMBROGLIO TO SPEAK OUT PUBLICLY. AT A JULY 15 PRESS CONFERENCE, CONFIEP (PERU'S MOST IMPORTANT PRIVATE SECTOR ORGANIZATION) PRESIDENT JORGE PICASSO, ACCOMPANIED BY THE HEADS OF PERU'S OTHER BUSINESS ORGANIZATIONS, CALLED ON PRESIDENT FUJIMORI TO BECOME PERSONALLY INVOLVED IN RESOLVING CURRENT POLITICAL DIFFICULTIES, ESPECIALLY THE TELEPHONE TAPPING AND BARUCH IVCHER ISSUES. EMPHASIZING THAT THE BUSINESS SECTOR CONTINUES TO SUPPORT PRESIDENT FUJIMORI, PICASSO NOTED THAT RECENT POLITICAL EVENTS HAD NOT GONE UNNOTICED ABROAD. "USUALLY THESE TYPES OF INCIDENTS DO NOT HAVE AN EFFECT (ON FOREIGN INVESTORS) FROM ONE DAY TO ANOTHER," HE SAID, "BUT OUR CALL TO (PRESIDENT FUJIMORI) IS DESIGNED PRECISELY TO AVOID PROBLEMS, IF IT IS HEEDDED."

JITTERS

13. (SBU) GOVERNMENT OFFICIALS HERE STRONGLY INSIST THAT THE CURRENT POLITICAL CLIMATE WILL NOT AFFECT THE COUNTRY'S ECONOMIC PROSPECTS. IN JUNE, AMBASSADOR JETT OBSERVED THAT THE IVCHER CASE COULD REDUCE CONFIDENCE AMONG FOREIGN BUSINESSMEN IN THE RULE OF LAW IN PERU. THE GOVERNMENT WASTED NO TIME IN RESPONDING TO THE

AMBASSADOR'S COMMENTS. INDUSTRIES MINISTER GUSTAVO CALILLAUX STATED BALDLY THAT POLITICAL PROBLEMS SUCH AS THE BARUCH IVCHER CASE WOULD NOT AFFECT THE ECONOMY. ONE J.P. MORGAN EXECUTIVE, AFTER EMERGING FROM AN MEETING WITH PRESIDENT FUJIMORI ON THE OCCASION OF THE OPENING OF A BRANCH OFFICE IN PERU, DISMISSED THE AMBASSADOR'S COMMENTS AND A RECENT LETTER TO FUJIMORI FROM SENATOR HELMS AND CONGRESSMAN GILMAN, SAYING THAT "NEITHER CONGRESSMEN OR DIPLOMATS MAKE INVESTMENTS IN PERU."

14. (SBU) DESPITE THE BLUSTER, THERE ARE SIGNS THAT PERUS CURRENT POLITICAL DIFFICULTIES HAVE REDUCED INVESTOR CONFIDENCE. SEVERAL U.S. INVESTMENT BANKS, INCLUDING LEHMAN BROTHERS AND SOLOMON, HAVE BEEN IN CONTACT WITH THE EMBASSY RECENTLY TO CHECK ON THE POLITICAL SITUATION. CONCERNED BY POLITICAL DEVELOPMENTS AND BY A RECENT TUMBLE ON THE LIMA STOCK EXCHANGE (DOWN OVER EIGHT PERCENT SINCE THE BEGINNING OF JULY), FIDELITY HAS DECIDED TO SEND AN ANALYST TO LIMA LATER THIS WEEK TO TALK WITH BUSINESSMEN, ECONOMISTS AND GOVERNMENT OFFICIALS. IN A PHONE CONVERSATION, THE FIDELITY ANALYST DISCOUNTED ARGUMENTS THAT PERU'S STOCK MARKET SELLOFF WAS CAUSED BY A MELTDOWN IN BRAZIL'S STOCK MARKET. SHE OBSERVED THAT PERU BRADY BOND PRICES WERE DOWN BY ABOUT THREE PERCENT IN THE LAST TWO WEEKS, WHEREAS BRADY BONDS PRICES FOR OTHER LATIN AMERICAN COUNTRIES HAD INCREASED BY ROUGHLY ONE PERCENT DURING THE SAME PERIOD. THE MARKETS MAY BE REEVALUATING PERU COUNTRY RISK IN LIGHT OF CURRENT DEVELOPMENTS, SHE SAID.

COMMENT

15. (SBU) IT IS NOT YET CLEAR WHAT LONG-TERM IMPACT, IF ANY, RECENT POLITICAL EVENTS WILL HAVE ON PERU'S ECONOMY. IF PRESIDENT FUJIMORI ACTS DECISIVELY TO RESOLVE THE CURRENT IMBROGLIO, IT IS LIKELY THAT THERE WILL BE LITTLE LONG-TERM EFFECT. THE CRISIS, HOWEVER, SERVES TO UNDERSCORE JUST HOW DEPENDENT PERU'S CURRENT ECONOMIC SUCCESS IS UPON ONE MAN. IF PRESIDENT FUJIMORI DOES NOT MOVE DECISIVELY TO RESOLVE THE SITUATION AND ALLOWS HIS POPULARITY TO ERODE FURTHER, FOREIGN INVESTORS MAY BEGIN TO REEVALUATE PERU'S COUNTRY RISK AND RECONSIDER PORTFOLIO AND DIRECT FOREIGN INVESTMENT HERE.

UNCLAS SECTION 04 OF 04 LIMA 006376

C O R R E C T E D COPY//ADDING E.O. AND TAG LINES//

SENSITIVE

STATEFOR ARA/AND (KASKA) AND EB/OMA (PATRICKS)
TREASURY FOR OASIA (ZELIKOW, JUBA AND NEI)
TREASURY PLS PASS NY FED FOR FRIED
EXIMBAN FOR DON HULTMAN
USDOC FOR 4331/ITA/WH/OLATWELCH
SOUTHCOM FOR POLAD

E.O. 12958: N/A
TAGS: ECON, EFIN, PGOV, PE
SUBJECT: FLYING HIGH, PERU'S ECONOMY HITS POLITICALTURBULENCE

JETT

SECT: SECTION: 01 OF 04
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DIST: SIT: ARMSTRONG DESOUZA DOBBINS HOFMANNK PICCONE TESTA
SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

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LINE2: ZNR UUUUU ZZH

LINE3: O 051040Z AUG 97

LINE4: FM AMEMBASSY LONDON

OSRI: RUEHLO

DTG: 051040Z AUG 97

ORIG: AMEMBASSY LONDON

TO: RUEHIA/USIA WASHDC IMMEDIATE 8032

INFO: RUEHFR/AMEMBASSY PARIS 1565
RUEHUL/AMEMBASSY SEOUL 3006
RUEHBJ/AMEMBASSY BEIJING 5334
RUEHBS/AMEMBASSY BRUSSELS 6302
RUEHC/SECSTATE WASHDC 8049
RUDOVFA/3AF RAF MILDENHALL UK//PA//
RUEHNO/USMISSION USNATO 9687
RUEHMO/AMEMBASSY MOSCOW 8609
RUEHRO/AMEMBASSY ROME 0034
RUEHVEN/USMISSION USVIENNA
RUEHOL/AMEMBASSY BONN 3274
RHDLCNE/CINCUSNAVEUR LONDON UK//019//
RUCNDT/USMISSION USUN NEW YORK 1550
RUEKJCS/SECDEF WASHDC
RHEHAAA/WHITEHOUSE WASHDC
RUCPDOG/USDOC WASHDC
RUEBBEA/DOT WASHDC
RUEKJCS/DIA WASHDC
RUEHTV/AMEMBASSY TEL AVIV 0180
RUEATRS/DEPT OF TREASURY WASHDC
RUEAIIA/CIA WASHDC
RUEHEG/AMEMBASSY CAIRO 3149

SUBJ: LONDON MEDIA REACTION REPORT FOR 08/05
A) BROADCAST MEDIA

ON BOSNIA, BBC RADIO REPORTED 8/5:

TEXT:

UNCLAS SECTION 01 OF 04 LONDON 009224

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 BERGER;
USMISSION USNATO FOR USIS

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

E.O.12958:N/A

SUBJECT: LONDON MEDIA REACTION REPORT FOR 08/05
A) BROADCAST MEDIA

ON BOSNIA, BBC RADIO REPORTED 8/5:

"THE DAYTON PEACE AGREEMENT ON BOSNIA IS LOOKING MORE FRAGILE THAN EVER, WITH PROBLEMS OVER PASSPORTS, CITIZENSHIP, REFUGEES, ETHNIC CLEANSING, AMBASSADORS AND AIRPORTS...

"THE CLOCK IS RUNNING OUT. THERE ARE 12 MONTHS TO GO BEFORE THE S-FO HOLBROOKE, WHO BROKERED THE DAYTON ACCORDS, IS NOT FORMALLY HERE AS AN ENVOY, BUT CLEARLY HIS REPUTATION AS A BLUNT SPEAKER PRECEDES HIM AND HE WILL TELL THE BOSNIANS THAT DEADLINES HAVE NOT BEEN MET, AND CONVEY REAL IMPATIENCE FROM WASHINGTON. THINGS WILL MOVE UP A GEAR OVER THE NEXT FEW DAYS."

B) MAJOR PRESS STORIES

1. MIDEAST
 2. KOREA
 3. MARS
 4. UNITED NATIONS
 5. U.S. POLITICS
 6. CHINA/WTO
- C) SUMMARY

1. MIDEAST

ISRAEL WAS REPORTED PRESSING YASSER ARAFAT TO APPREHEND TERRORISTS. THE "DAILY TELEGRAPH" SAW ISRAEL IN LONG-TERM RETREAT.

2. KOREA

THE START OF FOUR-POWER TALKS IN NEW YORK TODAY WAS NOTED, WITH THE "INDEPENDENT" REPORTING THAT, DESPITE THE "MODEST" AGENDA, THE FACT THAT THE TWO KOREAS ARE TALKING IS "ACHIEVEMENT ENOUGH".

3. MARS

IN EDITORIAL COMMENT, THE "TIMES" APPLAUDED NASA'S MARS MISSION.

4. UNITED NATIONS

A SCOTTISH PAPER CHARGED THAT THE U.S. CONGRESS IS "PERSECUTING" THE WORLD BODY.

5. U.S. POLITICS

ONE REPORT LOOKED AT SENATOR HELMS'S OBJECTIONS TO THE NOMINATION OF BILL WELD AS AMBASSADOR TO MEXICO, SEEING A "DEEPER REASON" FOR HIS BLOCKING OF THE NOMINATION.

6. CHINA/WTO

A "FINANCIAL TIMES" REPORT SAW HIGHER HOPES FOR CHINA'S ENTRY INTO THE WORLD TRADE ORGANIZATION.

D) TEXT

UNCLAS SECTION 02 OF 04 LONDON 009224

USIA

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 USIA FOR I/GWEU; R/C; R/MR; WEU; NEA; VOA NEWS/CA; PL
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 PARIS FOR USIS; UNESCO; OECD;
 VIENNA PASS USDEL-CSCE;

E.O.12958:N/A

SUBJECT: LONDON MEDIA REACTION REPORT FOR 08/05

A) BROADCAST MEDIA

1. MIDEAST

"NETANYAHU KEEPS UP PRESSURE ON ARAFAT"

THE CONSERVATIVE "TIMES" REPORTED 8/5:

"ISRAEL KEPT UP ITS PRESSURE ON THE PALESTINIAN AUTHORITY TO FIGHT MILITANTS YESTERDAY, DESPITE PLEAS THAT IT SHOULD EASE THE PUNITIVE MEASURES IMPOSED AFTER THE SUICIDE BOMBINGS IN JERUSALEM LAST WEEK...

"MR. NETANYAHU HAS MANAGED TO PORTRAY THE ARAFAT REGIME AS DRAGGING I FEET IN ROUNDING UP TERRORISTS. INDEED, HE SAID ANOTHER CHOICE FOR MR. ARAFAT WAS TO DECIDE IF HE WANTED TO BE A ROGUE NATION THAT SPONSORED TERRORISM, LIKE LIBYA, OR ONE LIKE EGYPT THAT DETERMINEDLY HUNTED DOWN MUSLIM MILITANTS IN ITS MIDST.

"ISRAEL HAS FOUND SUPPORT FROM UNITED STATES OFFICIALS IN ITS ATTEMPTS TO WIN OVER AMERICAN HEARTS AND MINDS..."

"ISRAEL UNDER SIEGE"

THE CONSERVATIVE "DAILY TELEGRAPH" EDITORIALIZED 8/5:

"AS WE HAVE ARGUED BEFORE, THERE IS LITTLE POINT IN SUFFERING THE OPPROBRIUM OF PURSUING HARDLINE POLICIES WITHOUT ANY ALLEGED BENEFITS. SO IT WAS WITH YESTERDAY'S STRIKES ON HIZBOLLAH IN LEBANON. ONE MORE, THE PUPPETS, RATHER THAN THE PUPPETEERS OF IRAN AND SYRIA, WERE THE TARGETS. UNTIL THEY ARE MADE TO PAY A PRICE FOR THEIR ACTIVITIES, EVERYONE -- INCLUDING THE PALESTINIAN

AUTHORITY -- WILL KNOW THAT ISRAELI MILITARY ACTIONS ARE LITTLE MORE THAN TACTICAL ESCALATIONS DURING A LONG, STRATEGIC RETREAT. ARMED WITH THAT KNOWLEDGE, THE ATROCITIES ARE BOUND TO CONTINUE."

2. KOREA

"KOREAN FOES JAW TO FINALLY END WAR"
THE CENTRIST "INDEPENDENT" HAD THIS REPORT FROM TOKYO 8/5:

"ON PAPER, BUT ONLY ON PAPER, IT LOOKS LIKE A MOMENTOUS OCCASION. THIS MORNING IN NEW YORK, FOR THE FIRST TIME SINCE IT FIZZLED TO AN INCONCLUSIVE END IN 1953, THE FOUR PRINCIPAL COMBATANTS IN THE KOREAN WAR WILL SIT AROUND A SINGLE TABLE AND TALK ABOUT PEACE..."

"THAT THE KOREAS ARE SITTING DOWN TO TALK TO ONE ANOTHER IS ACHIEVEMENT ENOUGH, ESPECIALLY IN COMPANY WITH THE NORTH'S KOREAN WAR SPONSOR, CHINA.

"BUT THE MODESTY OF THE AGENDA EMPHASISES HOW MANY DIPLOMATIC LEAGUES THERE ARE TO CROSS BEFORE ANY SETTLEMENT IS REACHED AND HOW ALARMINGLY ISOLATED PYONGYANG HAS BECOME..."

"HIGH STAKES IN KOREA, AND REWARDS TO MATCH"

IN EDITORIAL COMMENT, THE CENTRIST "INDEPENDENT" SAID 8/5:
UNCLAS SECTION 03 OF 04 LONDON 009224

USIA

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USDOC PASS USTR/PA
WHITEHOUSE FOR NSC-WEUROPE, NSC FOR BERGER;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;
VIENNA PASS USDEL-CSCE;

E.O.12958:N/A

SUBJECT: LONDON MEDIA REACTION REPORT FOR 08/05
A) BROADCAST MEDIA

"THE GOOD NEWS IS THAT TALKS START TODAY WHICH COULD LEAD TO A PEACE TREATY THAT WOULD AT LAST END THE ENMITY BETWEEN THE TWO KOREAS, AND REPLACE THE FRAGILE CEASEFIRE THAT HAS EXISTED SINCE 1953. THE BAD NEWS IS THAT WE KNOW VERY LITTLE ABOUT THE INTENTIONS AND CAPABILITIES OF NORTH KOREA, A STATE MORE ISOLATED THAN ANY OTHER IN THE WORLD."

3. MARS

"FLYING ECONOMY"

THE CONSERVATIVE "TIMES" EDITORIALIZED 8/5:

"SOMETIMES THE DIRECT APPROACH PAYS OFF. AFTER MANY YEARS OF DEVOTING TAXPAYERS' DOLLARS TO COSTLY SPACE MISSIONS PLANNED TO THE LAST GOLD-PLATED NUT AND WASHER, NASA HAS DECIDED IT WANTS QUICKER, CHEAPER AND BETTER RESULTS. WHEN LAST IT WENT TO MARS MORE THAN TWENTY YEARS AGO, VIKING COST SEVERAL BILLION DOLLARS. MARS PATHFINDER, WHICH BOUNCED AND JUDDERED TO A HALT ON THE MARTIAN SURFACE A MONTH AGO, HAS COST LESS THAN \$200 MILLION. THE MARS MISSION PROVES THAT PRUDENCE PAYS.

"THE HARDWARE HAS OPERATED NEARLY FLAWLESSLY, MORE SO INDEED THAN THE HUMAN BEINGS CONTROLLING IT FROM THE EARTH..."

4. UNITED NATIONS

"PERSECUTION OF THE U.N."

THE CENTRIST "HERALD" (GLASGOW) EDITORIALIZED 8/4:

"THE ADVENT OF A NEW MILLENNIUM SEEMS AS GOOD A TIME AS ANY FOR MEMBER NATIONS TO DECIDE WHAT THEY WANT THE UNITED NATIONS TO BE AND TO DO. THIS WILL NOT BE AN EASY TASK..."

"THE NEWISH SECRETARY GENERAL, KOFI ANNAN, IS A U.N. VETERAN WHO UNDERSTANDS VERY WELL THE LIMITATIONS OF HIS ROLE..."

"HIS MAIN TASK, AND BY FAR THE MOST DIFFICULT ONE, HAS BEEN TO DEVISE SOME SORT OF RESPONSE TO THE UNRELENTING PRESSURE FROM THE UNITED STATES CONGRESS WHICH PERSISTS IN REGARDING THE U.N. AS A SPENDTHRIFT DO-GOODER DESPERATELY IN NEED OF RESTRAINT.

"THIS ATTITUDE FINDS ITS FULL EXPRESSION IN THE ACTIVITIES OF THE APPALLING SENATOR JESSE HELMS AND HIS COLLEAGUE JOE BIDEN..."

"PRESIDENT CLINTON HAS DONE LITTLE TO STOP THE BANDWAGON OF CONGRESSIONAL PERSECUTION AND IT IS UNLIKELY THAT HE WILL SEE SENSE NOW. THE BEST THAT CAN BE EXPECTED IS THAT OTHER COUNTRIES WILL OBJECT. THE EUROPEAN UNION NATIONS SHOULD TAKE THE LEAD."

5. U.S. POLITICS

"HELMS'S WELD OBJECTION"

UNCLAS SECTION 04 OF 04 LONDON 009224

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 BERGER;
USMISSION USNATO FOR USIS
PARIS FOR USIS; UNESCO; OECD;

VIENNA PASS USDEL-CSCE;

E.O.12958:N/A

SUBJECT: LONDON MEDIA REACTION REPORT FOR 08/05

A) BROADCAST MEDIA

THE CENTRIST "HERALD" (GLASGOW) HAD THIS REPORT FROM WASHINGTON 8/4 ON SENATOR JESSE HELMS'S OBJECTION TO BILL WELD'S NOMINATION AS AMBASSADOR TO MEXICO:

"THE SENATOR'S OSTENSIBLE OBJECTION TO MR. WELD IS THAT HE HAS ADVOCATED LEGALISING MARIJUANA FOR MEDICINAL PURPOSES, AS A PAINKILLER. HELMS SAYS THAT APPOINTING WELD TO MEXICO, THROUGH WHICH 70 PERCENT OF ALL ILLEGAL DRUGS REACH THE UNITED STATES, WOULD BE TO REPUDIATE DECADES OF GOVERNMENT POLICY.

"THE DEEPER REASON FOR HIS OPPOSITION IS THAT WELD REPRESENTS THE OPPOSITE WING OF THE REPUBLICAN PARTY, AND IS A POTENTIAL PRESIDENTIAL CANDIDATE. HELMS WANTS TO PROTECT HIS PARTY'S CONSERVATIVE PURITY."

6. CHINA/WTO

"HIGH HOPES FOR CHINA'S WTO BID"

THE INDEPENDENT "FINANCIAL TIMES" REPORTED 8/5:

"THE UNITED STATES IS PINNING ITS HOPES FOR CHINESE ENTRY INTO THE WTO ON AN EXPANDED MARKET-OPENING PACKAGE DUE IN SEPTEMBER.

"HOWEVER, CHINA HAS TOLD ITS TRADING PARTNERS NOT TO EXPECT TOO MUCH FROM ITS FORTHCOMING OFFER TO OPEN ITS SERVICES SECTOR TO FOREIGN COMPETITION. THIS FOLLOWS ONLY A PIECEMEAL OFFER BY BEIJING LAST WEEK TO IMPROVE ACCESS FOR FOREIGN IMPORTS OF GOODS...

"SEVERAL SENIOR AMERICAN TRADE OFFICIALS ARE TO VISIT BEIJING IN THE COMING MONTHS TO PREPARE FOR A STATE VISIT TO WASHINGTON BY PRESIDENT JIANG ZEMIN IN OCTOBER. HOWEVER, CHARLENE BARSHEFSKY, THE USTR, IS NO LONGER PLANNING TO GO TO BEIJING, A SIGN THAT SHE ANTICIPATES NO FINAL DEAL IN THE NEAR TERM...

"THE PLANNED U.S.-CHINA PRESIDENTIAL SUMMIT IN LATE OCTOBER HAD BEEN SEEN AS A POSSIBLE PLATFORM TO LAUNCH THE FINAL STAGES OF THE WTO NEGOTIATION BUT AMERICAN TRADE OFFICIALS SAY A LOT MORE NEEDS TO BE DONE'." BERRINGTON

SECT: SECTION: 01 OF 04

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<^SECT>SECTION: 04 OF 04

SSN: 9224

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TOR: 970805064251 M2876481

<^TOR>970805064336 M2876482

<^TOR>970805064422 M2876484

<^TOR>970805064423 M2876485

DIST:

SIT: JOHNSON LUZZATTO RUBIN

SIT: NSC

Cable

PREC: IMMEDIATE

CLASS: UNCLASSIFIED

LINE1: OAAUZYUW RUEHCAA8989 2202107-UUUU--RHEHNSC.

LINE2: ZNR UUUUU ZZH ZEX

LINE3: O P 082101Z AUG 97

LINE4: FM SECSTATE WASHDC

OSRI: RUEHC

DTG: 082101Z AUG 97

ORIG: SECSTATE WASHDC

TO: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS IMMEDIATE

RUDKIA/AMCONSUL CHIANG MAI PRIORITY 5855

RUEHKOF/AMCONSUL FUKUOKA PRIORITY 7468

RUEHKON/AMCONSUL NAGOYA PRIORITY 1000

RUHBBMA/AMCONSUL NAHA PRIORITY 1102

RHEHNSC/NSC WASHDC PRIORITY 2968

RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 3901

RUATNPP/AMCONSUL PUSAN PRIORITY 5136

RUEHKOS/AMCONSUL SAPPORO PRIORITY 6492

RUEHIA/USIA WASHDC PRIORITY 9928

RUCNDT/USMISSION USUN NEW YORK PRIORITY 5881

INFO: RUEHOL/AMEMBASSY BONN PRIORITY 2609

RUEHGV/USMISSION GENEVA PRIORITY 8908

RUEHLO/AMEMBASSY LONDON PRIORITY 1083

RUEHLE/AMEMBASSY LUXEMBOURG PRIORITY 0069

RUEHMO/AMEMBASSY MOSCOW PRIORITY 1255

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 9566

RUEHFR/AMEMBASSY PARIS PRIORITY 1038

RHHMBRA/CINCPACFLT PEARL HARBOR HI PRIORITY

RHHMUNA/USCINCPAC HONOLULU HI PRIORITY

RUAGAAA/CHJUSMAG SEOUL KS PRIORITY

RUAGAAA/COMUSKOREA SEOUL KS//CC/BJ/CJ/EJ/PAJ/SJS// PRIORITY

RUAGAAA/SACINCUNC KS PRIORITY

RUAGAAA/USCINCUNC SEOUL KS PRIORITY

RUEKCCG/SECDEF WASHDC//USDP PRIORITY

RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY

RUEHVEN/USMISSION USVIENNA PRIORITY

SUBJ: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA

USCINCPAC FOR FPA TEARE

TEXT:

UNCLAS SECTION 01 OF 06 STATE 148989

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

ALL POSTS -- ALSO FOR USIS

SECDEF -- ALSO FOR OASD/PA
USCINCPAC FOR FPA TEARE
USVIENNA FOR UNVIE

1. INDEX

-- CAMBODIA: PARLIAMENTARY VOTE FOR NEW FIRST PM (PARA 3)
-- KOREA: FOUR PARTY PREPARATORY MEETINGS (PARA 4)
-- INDIA: BORDER TALKS WITH CHINA (PARA 5)
-- JAPAN: UNITED STATES -- JAPAN CIVIL AVIATION NEGOTIATIONS (PARA 6)
-- THAILAND: IMF AGREEMENT (PARA 7)
-- THAILAND: STATEMENT BY TREASURY SECRETARY ROBERT E. RUBIN (PARA 8)
-- UN ARREARS: LETTER TO HELMS FROM FORMER SECRETARIES OF STATE (PARA 9)

2. THE FOLLOWING PRESS GUIDANCES AND STATEMENT WERE PREPARED ON 08/06/97. THERE WAS NO REGULAR PRESS BRIEFING THAT DAY. POSTS MAY DRAW FROM THESE GUIDANCES ON AN IF ASKED BASIS.

3. CAMBODIA: PARLIAMENTARY VOTE FOR NEW FIRST PM

(CONTEXT: CAMBODIAN SECOND PRIME MINISTER HUN SEN VIOLENTLY OUSTED HIS SENIOR COALITION PARTNER, FIRST PM PRINCE RANARIDDH, ON JULY 5-6. ON AUGUST 6, THE NATIONAL ASSEMBLY FORMALLY VOTED TO REPLACE RANARIDDH WITH FOREIGN MINISTER UNG HUOT, EVEN THOUGH NEARLY 20 PERCENT OF THE MP'S (MOSTLY FROM RANARIDDH'S FUNCINPEC PARTY) ARE IN EXILE AND THOSE IN PHNOM PENH HAVE CONFESSED TO FEELING INTIMIDATED.

Q: WHAT IS YOUR REACTION TO THE CAMBODIAN NATIONAL ASSEMBLY'S DECISION TO STRIP FIRST PRIME MINISTER RANARIDDH OF HIS PARLIAMENTARY IMMUNITY AND TO REPLACE HIM WITH FOREIGN MINISTER UNG HUOT?

A: YESTERDAY THE CAMBODIAN NATIONAL ASSEMBLY STRIPPED FIRST PRIME MINISTER PRINCE RANARIDDH OF HIS PARLIAMENTARY IMMUNITY TO FACE CHARGES FROM AN ALLEGED ATTEMPT TO IMPORT ARMS. IN A SECOND BALLOT THE ASSEMBLY VOTED TO REPLACE RANARIDDH AS FIRST PRIME MINISTER WITH FOREIGN MINISTER UNG HUOT. THE VOTE TOOK PLACE IMMEDIATELY AFTER THE MOTION WAS INTRODUCED AND WITHOUT ANY DEBATE.

WHILE WE RESPECT UNG HUOT AS AN INDIVIDUAL, IN THE ABSENCE OF A RETURN BY FUNCINPEC PARLIAMENTARIANS IN EXILE, AND IN THE CURRENT ATMOSPHERE OF INTIMIDATION IN CAMBODIA, WE DO NOT BELIEVE YESTERDAY'S VOTES WERE DEMOCRATIC. WE HOPE THAT FUNCINPEC WILL REVISIT THIS ISSUE WHEN A GENUINELY FREE AND OPEN ENVIRONMENT RETURNS TO PHNOM PENH.

IN HIS ACCEPTANCE SPEECH, UNG HUOT DID CALL FOR ADHERENCE TO THE PARIS ACCORDS AND FOR FREE AND FAIR ELECTIONS IN 1998. WE URGE THE CAMBODIAN GOVERNMENT TO FOLLOW THROUGH ON THIS

COMMITMENT. WE ALSO URGE THAT GOVERNMENT TO TAKE URGENT MEASURES TO END THE ONGOING HUMAN RIGHTS ABUSES AND ERADICATE THE CLIMATE OF FEAR AND INTIMIDATION WHICH EXISTS AMONG MANY UNCLAS SECTION 02 OF 06 STATE 148989

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

CAMBODIANS AND FOREIGNERS.

Q: WHAT ARE THE NEXT STEPS FOR U.S. POLICY? WILL AID CONTINUE TO BE SUSPENDED AFTER THE INITIAL THIRTY-DAY PERIOD?

A: WE HAVE DISPATCHED DESAIX (PRONOUNCED: DEH-SAY) ANDERSON, A CAREER FOREIGN SERVICE OFFICER, TO ASIA THIS WEEK TO CONSULT WITH GOVERNMENTS IN THE REGION ON NEXT STEPS TO RESOLVE THE POLITICAL CRISIS. MR. ANDERSON HAS LONG YEARS OF EXPERIENCE IN ASIA, AND SERVED MOST RECENTLY AS OUR CHARGE D'AFFAIRES IN VIETNAM. HE WILL BE DISCUSSING AID WITH DONOR COUNTRIES AND MEETING WITH THE THREE ASEAN FOREIGN MINISTERS WHO VISITED CAMBODIA AUGUST 2. MR. ANDERSON WILL ALSO TRAVEL TO PHNOM PENH, WHERE HE WILL MEET WITH HUN SEN.

THIS MORNING THE ASSISTANT SECRETARY FOR EAST ASIAN AND PACIFIC AFFAIRS, STANLEY ROTH, IS MEETING WITH REPRESENTATIVES OF EMBASSIES OF DONOR COUNTRIES TO DISCUSS COORDINATION OF ASSISTANCE TO CAMBODIA.

THE U.S. GOVERNMENT SUSPENDED PORTIONS OF ITS AID PROGRAM IN CAMBODIA IN THE WAKE OF THE EVENTS OF JULY 5-6. WE HOPE TO CONTINUE PROVIDING ASSISTANCE THAT ADDRESSES BASIC HUMAN NEEDS, PROMOTES DEMOCRATIC PROCESSES, AND STRENGTHENS THE RESPECT FOR HUMAN RIGHTS. NONE OF THESE PROGRAMS PROVIDES FUNDS TO OR THROUGH THE GOVERNMENT OF CAMBODIA; OUR AID GOES THROUGH NGO'S OR PRIVATE CONTRACTORS. WE ARE ALSO CONSULTING WITH OTHER DONOR COUNTRIES ON THE ISSUE OF SUPPORT, INCLUDING OBSERVERS, FOR THE 1998 NATIONAL ELECTIONS.

4. KOREA -- FOUR PARTY PREPARATORY MEETINGS

CONTEXT: THERE HAS BEEN NO PEACE AGREEMENT TO END THE KOREAN WAR SINCE IT BEGAN IN 1950; FIGHTING WAS HALTED BY AN ARMISTICE AGREEMENT IN 1953. IN APRIL 1996, PRESIDENT CLINTON AND HIS SOUTH KOREAN COUNTERPART KIM YOUNG SAM PROPOSED FOUR-PARTY TALKS INCLUDING SOUTH AND NORTH KOREA, THE PRC, AND THE U.S. TO ACHIEVE A REDUCTION IN TENSIONS AND PUT IN PLACE MORE PERMANENT PEACE ARRANGEMENTS ON THE KOREAN PENINSULA THROUGH TALKS THAT WOULD INCLUDE DIRECT DIALOGUE BETWEEN THE NORTH AND THE SOUTH. AFTER INITIAL RELUCTANCE, THE NORTH KOREAN SIDE AGREED TO ATTEND A MEETING WITH THE U.S. AND ROK TO RECEIVE A "JOINT BRIEFING" ON THE PROPOSAL IN MARCH 1997: FOLLOWING AN ADDITIONAL MEETING IN APRIL AND SUBSEQUENT WORKING LEVEL TALKS, THE NORTH AGREED AT A JUNE 30 MEETING WITH THE U.S. AND ROK TO THE COMMENCEMENT IN THE PREPARATORY TALKS THAT BEGAN YESTERDAY IN NEW YORK OF THE

FOUR-PARTY PROCESS PROPOSED BY PRESIDENTS CLINTON AND KIM.)

Q: CAN YOU PROVIDE A READ-OUT OF YESTERDAY'S FOUR PARTY PREPARATORY MEETING IN NEW YORK? WHAT IS HAPPENING TODAY?

A: THE TOPICS OF DISCUSSION AT THE PREPARATORY MEETING THAT BEGAN YESTERDAY IN NEW YORK AMONG THE U.S., REPUBLIC OF KOREA, PEOPLE'S REPUBLIC OF CHINA AND THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA INCLUDE A DATE AND VENUE FOR THE NEXT MEETING, THE LEVEL OF REPRESENTATION, THE AGENDA, AND DETAILS REGARDING HOW THE TALKS WILL PROCEED.

THE MEETING MARKED THE BEGINNING OF THE FOUR PARTY PEACE PROCESS AND, AS SUCH, IS A POSITIVE STEP. THE FIRST DAY'S SESSION WAS CONDUCTED IN A BUSINESS-LIKE MANNER.

AFTER AN INITIAL PRESENTATION OF VIEWS BY THE FOUR PARTIES, THEY AGREED TO CONSIDER THE TOPICS AT ISSUE ONE AT A TIME, BEGINNING WITH ITEMS SUCH AS A DATE AND VENUE FOR THE NEXT UNCLAS SECTION 03 OF 06 STATE 148989

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

MEETING AND MOVING TO OTHER LATER ITEMS, SUCH AS THE AGENDA. A GOOD BEGINNING WAS MADE, BUT -- AS WE HAD THOUGHT WAS LIKELY -- AT THE END OF THE DAY THE FOUR PARTIES AGREED THAT ADDITIONAL DISCUSSIONS WERE NEEDED. THE MEETING IS CONTINUING TODAY AT COLUMBIA UNIVERSITY'S SCHOOL OF INTERNATIONAL AND PUBLIC AFFAIRS IN NEW YORK CITY.

IF ASKED:

BECAUSE ANY PRELIMINARY AGREEMENTS REACHED DURING THE COURSE OF THE MEETINGS WILL NOT BE FINALIZED BEFORE THE TALKS ARE FINISHED, IT WOULD BE PREMATURE TO TRY TO DESCRIBE ANY PROGRESS THAT MAY BE MADE UNTIL THE DISCUSSIONS CONCLUDE.

Q: IS IT TRUE THAT NORTH KOREA SOUGHT TO INCLUDE THE QUESTION OF U.S. TROOPS ON THE AGENDA? DID THE NORTH BLAME THE U.S. AND ROK FOR TENSIONS ON THE KOREAN PENINSULA?

A: WE DO NOT WISH TO GET INTO THE DETAILS OF THESE TALKS. THE FOUR PARTY PEACE TALKS ARE AIMED AT ADDRESSING ISSUES CONCERNING SECURITY AND PEACE ON THE KOREAN PENINSULA. THE AGENDA FOR FUTURE TALKS IS ONE OF THE ITEMS TO BE AGREED UPON BY ALL PARTIES AT THESE PREPARATORY TALKS, WHICH HAVE NOT CONCLUDED. THE NORTH'S INTEREST IN THE QUESTION OF U.S. FORCES ON THE KOREAN PENINSULA IS WELL-KNOWN, AS IS THE U.S. AND ROK CONCERN OVER THE DPRK'S MILITARY POTENTIAL.

Q: A NORTH KOREAN OFFICIAL WAS QUOTED BY THE DPRK OFFICIAL NEWS SERVICE KCNA AS SAYING YESTERDAY THAT THE NORTH WOULD HONOR THE ARMISTICE, WHILE ALSO CALLING FOR A NEW PEACE MECHANISM TO BE PUT IN PLACE. WHAT IS YOUR REACTION?

A: WE BELIEVE THAT THE ARMISTICE HAS PLAYED A VITAL ROLE IN KEEPING THE PEACE ON THE KOREAN PENINSULA FOR THE PAST 44 YEARS AND THAT IT SHOULD CONTINUE TO BE FULLY OBSERVED UNTIL SUCH TIME AS IT IS REPLACED BY NEW PEACE ARRANGEMENTS.

Q: WHAT IS THE ROLE OF CHINA AT THESE TALKS?

A: THE CHINESE ARE PARTICIPATING FULLY IN THESE DISCUSSIONS AND ARE PLAYING A CONSTRUCTIVE ROLE.

5. INDIA: BORDER TALKS WITH CHINA

Q: WHAT IS YOUR REACTION TO THE RECENTLY CONCLUDED ROUND OF BOUNDARY TALKS BETWEEN CHINA AND INDIA?

(CONTEXT: THIRTY-FIVE YEARS AFTER THEIR BORDER WAR, CHINA AND INDIA HAVE NOT RESOLVED THEIR DIFFERENCES, BUT HAVE TONED DOWN THE DISPUTE OVER BOUNDARY LOCATION. THE TALKS ARE PART OF A MECHANISM TO DO THAT ESTABLISHED DURING PRIME MINISTER RAO'S VISIT TO CHINA TWO YEARS AGO. THE CHINESE PRESIDENT VISITED INDIA LAST YEAR AND RELATIONS HAVE BEEN CALM AND MILDLY CORDIAL. WE WISH TO SEE GREATER ENGAGEMENT BY CHINA IN REDUCING TENSIONS IN SOUTH ASIA AND SUPPORT THE TALKS AS WELL AS CLOSER INDO-CHINESE TIES.)

A: THE UNITED STATES SUPPORTS CLOSER RELATIONS BETWEEN CHINA AND INDIA AND RESOLUTION OF THE LONG-STANDING BOUNDARY DISPUTE BETWEEN THE TWO COUNTRIES.

WE ENCOURAGE FURTHER PRODUCTIVE TALKS BETWEEN INDIA AND CHINA AND BELIEVE THAT CHINA CAN BE A STABILIZING INFLUENCE IN THE REGION.

6. JAPAN: UNITED STATES -- JAPAN CIVIL AVIATION NEGOTIATIONS
UNCLAS SECTION 04 OF 06 STATE 148989

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

Q: WHAT WERE THE RESULTS OF THE CIVIL AVIATION NEGOTIATIONS IN TOKYO?

A: UNITED STATES AND JAPANESE NEGOTIATIONS JUST COMPLETED THREE FULL DAYS OF SERIOUS DISCUSSIONS. THESE WERE THE FIRST FORMAL NEGOTIATIONS ON CIVIL AVIATION SINCE AUGUST 1996.

THE TWO SIDES ARE DRAFTING TEXT FOR A NEW AGREEMENT. THE PRESENT AGREEMENT DATES FROM 1952, AND IS RESTRICTIVE.

ON SUBSTANCE, HOWEVER, WE ARE STILL FAR APART.

Q: WHAT WERE THE TWO SIDES' RESPECTIVE POSITIONS DURING THESE TALKS?

A: THE UNITED STATES CONTINUED TO ADVOCATE A TRANSITION TO OPEN SKIES.# (# NO LIMITS ON ROUTES, ENTRANTS, CAPACITY)

THE JAPANESE DELEGATION OFFERED TO MOVE TOWARD WHAT THEY CALL A "FULLY LIBERALIZED MARKET", HOWEVER, WE NEED MORE INFORMATION ON WHAT THIS WILL MEAN IN PRACTICE.

THIS IS OUR LARGEST BILATERAL AIR TRANSPORT MARKET - \$9.8 BILLION A YEAR. U.S. HAS 2/3 OF MARKET.

Q: HAVE FURTHER TALKS BEEN SCHEDULED?

A: YES. THE SECOND ROUND OF FORMAL DISCUSSIONS WILL BE HELD ON AUGUST 27 - 29 HERE IN WASHINGTON.

7. THAILAND: IMF AGREEMENT

CONTEXT: THE THAI ECONOMY HAS BEEN IN TROUBLE FOR THE LAST YEAR, FOLLOWING A TEN YEAR PERIOD OF ANNUAL GROWTH RATES AVERAGING OVER EIGHT PERCENT. RECKLESS LENDING TO FINANCIAL INSTITUTIONS, EXCESSIVE INVESTMENT BY REAL ESTATE DEVELOPERS AND INEFFICIENT MANUFACTURERS HAVE LED TO A LARGE AMOUNT OF BAD DEBT. ON JULY 2, THE CENTRAL BANK FLOATED THE THAI BAHT, LEADING TO A 23 PERCENT DROP IN WHAT HAD BEEN THE REGION'S MOST STABLE CURRENCY. THE THAI GOVERNMENT, FINALLY ADMITTING THE SEVERITY OF THE ECONOMIC CRISIS, ANNOUNCED YESTERDAY THAT IT WAS CLOSING ALMOST HALF OF THE COUNTRY'S FINANCIAL COMPANIES AND THAT IT HAD AGREED IN PRINCIPLE TO AN IMF CREDIT PROGRAM.

Q: WHAT IS THE U.S. REACTION TO THE NEWS THAT THAILAND HAS APPROVED AN ECONOMIC BAILOUT AGREEMENT WITH THE IMF THAT COULD GIVE THAILAND A \$15 BILLION CREDIT?

A: WE WELCOME THE WILLINGNESS BY THE CENTRAL BANK AND THE GOVERNMENT OF THAILAND TO UNDERTAKE THE DIFFICULT ECONOMIC DECISIONS NECESSARY TO STRENGTHEN THE THAI ECONOMY AND RESTRUCTURE THE COUNTRY'S FINANCIAL SYSTEM.

WE FULLY SUPPORT THE IMF'S ROLE IN HELPING THAILAND THROUGH THIS DIFFICULT PERIOD.

THE ASSISTANCE PACKAGE PROPOSED FOR THAILAND IS AN EXAMPLE OF THE INCREASED CAPACITY OF INTERNATIONAL FINANCIAL INSTITUTIONS TO RESPOND QUICKLY AND APPROPRIATELY TO FINANCIAL DIFFICULTIES OF MEMBER COUNTRIES.

THE TREASURY DEPARTMENT CAN RESPOND TO FOLLOW-ON QUESTIONS YOU MAY HAVE AS IT HAS THE LEAD ON FINANCIAL ISSUES OF THIS NATURE.

UNCLAS SECTION 05 OF 06 STATE 148989

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

8. THAILAND: STATEMENT BY TREASURY SECRETARY ROBERT E. RUBIN

I WELCOME THE AUGUST 5, ANNOUNCEMENT BY THAI FINANCE MINISTER THANONG BIDAYA OF A FRAMEWORK FOR ECONOMIC RECOVERY. I HAVE SPOKEN WITH THE MINISTER AND TREASURY IS WORKING CLOSELY WITH THE IMF. A STRONG SET OF ECONOMIC REFORMS IS THE BEST WAY TO RESOLVE THAILAND'S CURRENT ECONOMIC DIFFICULTIES. I LOOK FORWARD TO AN EARLY CONCLUSION OF TECHNICAL DISCUSSIONS BETWEEN THE IMF AND THE THAI AUTHORITIES REGARDING A PROGRAM THAT THE INTERNATIONAL COMMUNITY CAN FULLY SUPPORT.

9. UN ARREARS: LETTER TO HELMS FROM FORMER SECRETARIES OF STATE

CONTEXT: LEGISLATION IS PENDING ON THE HILL (STATE AUTHORIZATION BILL) TO PAY \$819 MILLION IN US ARREARS TO THE UN AND OTHER INTERNATIONAL ORGANIZATIONS, CONDITIONED ON ACHIEVEMENT OF CERTAIN UN REFORM BENCHMARKS. ONE OF THE PRIMARY REFORM BENCHMARKS IS THE REDUCTION IN THE US ASSESSMENT FROM 25% TO 20%. THE BILL IS CURRENTLY BEFORE THE HOUSE-SENATE CONFERENCE COMMITTEE WHICH ADJOURNED IN LATE JULY WITHOUT FINISHING ITS WORK. DISCUSSIONS WILL RESUME AFTER THE AUGUST RECESS. THE ADMINISTRATION WORKED CLOSELY WITH SFRM MEMBERS AND STAFF IN DEVELOPING THIS LEGISLATION ALTHOUGH THERE ARE STILL SEVERAL MAJOR PROBLEMS THAT WE ARE SEEKING TO ADDRESS IN THE CONFERENCE PROCESS.

Q. WHAT IS THE DEPARTMENT'S COMMENT ON THE LETTER FROM FORMER SECRETARIES OF STATE TO SENATOR HELMS ADVOCATING THAT THE US PAY ITS ARREARS TO THE UN?

A. THE ADMINISTRATION WELCOMES THE SUPPORT OF THE FORMER SECRETARIES OF STATE ON OUR COMMITMENT TO RESOLVE THE ISSUE OF OUR ARREARS WITH THE UNITED NATIONS.

THERE IS CURRENTLY A AUTHORIZING BILL IN CONFERENCE THAT DEALS WITH THIS ISSUE AND IT IS ONE THAT WE HOPE THE ADMINISTRATION WILL BE ABLE TO SUPPORT. WE ALSO EXPECT APPROPRIATIONS COMMITTEES TO TAKE UP THIS ISSUE IN SEPTEMBER AS WELL.

Q. WHAT IS THE DEPARTMENT'S POLICY ON THE PAYMENT OF ARREARS?

A. THE ADMINISTRATION HAS ADVOCATED THAT WE PAY OUR ARREARS WHILE WE PURSUE A RANGE OF REFORMS AT THE UN. WE ARE WORKING WITH CONGRESS ON A BILL THAT MEET THAT GOALS.

Q. HOW MUCH DO WE OWE?

THE CURRENT BILL THAT IS WORKING THROUGH CONFERENCE AUTHORIZES THE PAYMENT OF \$819 MILLION, ALTHOUGH THE ADMINISTRATION'S INITIAL REQUEST WAS FOR \$1.021B. WE ARE WORKING WITH THE CONGRESS TO AUTHORIZE THE USE OF OTHER CREDITS OWED TO THE USG BY THE UN, AND CERTAIN TAX REIMBURSEMENTS THAT WILL GET US CLOSER TO THE INITIAL REQUEST OF \$1.02 BILLION.

IF PRESSED: THE UN OWES THE USG \$107 MILLION FOR ASSISTANCE

TO PEACEKEEPING OPERATIONS. THE TAX REIMBURSEMENT IS FOR US
EMPLOYEES AT THE UN AND AMOUNT TO \$27MILLION

WE HAVE DECIDED NOT TO ASK FOR FUNDING FOR OUR FINAL
PAYMENTS TO UNIDO (\$68M), AN ORGANIZATION WE WITHDREW FROM
LAST YEAR.

UNCLAS SECTION 06 OF 06 STATE 148989

USIA FOR EA; TOKYO FOR YAMAUCHI; MOSCOW FOR ANDERTON

E.O. 12958: N/A

TAGS: OPRC XE US

SUBJECT: AUGUST 6 PRESS GUIDANCES FOR THE EAP REGION

IF PRESSED: WE HAVE DISAGREEMENTS WITH THE UN ON THE AMOUNT
WE OWE (UN CLAIMS WE OWE \$1.3 BILLION). SOME OF THESE
DISAGREEMENTS DATE BACK MANY YEARS -- WE PLAN TO ESTABLISH A
CONTESTED ARREARS ACCOUNT THAT WILL SET ASIDE THE DISPUTED
AMOUNT. THIS IS A METHOD OF RESOLVING DIFFERENCES OVER UN
ASSESSMENTS THAT HAS BEEN USED WITH OTHER COUNTRIES IN THE
PAST. THIS WOULD HELP TO ENSURE THAT WE DO NOT LOSE OUR VOTE
IN THE UNGA.

ALBRIGHT

SECT: SECTION: 01 OF 06

<^SECT>SECTION: 02 OF 06

<^SECT>SECTION: 03 OF 06

<^SECT>SECTION: 04 OF 06

<^SECT>SECTION: 05 OF 06

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DIST:

SIT: NSC