

Exchange Mail

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SUBJECT State Department Press Guidance -- July 19, 2000 [UNCLASSIFIED]

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TEXT_BODY

No State briefing today. @PRESS - am printing.

TRANSLATED_ATTACHMENT

07-19-2000 Final Guidances.doc
PRESS
GUIDANCES CONTENTS WEDNESDAY JULY 19, 2000

AFRICA Sierra Leone -- U.S. Role in Lome Peace Agreement

EAST ASIA China -- Scheduling of Senate PNTR Vote
North Korea / Russia -- President Putin's Visit
North Korea -- Berlin Talks / Amb Kartman's
Meetings
South Korea -- Status of Forces Agreement (SOFA)
Revision
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Interconnection Rates

EUROPE Austria / EU -- EU Considers Lifting Sanctions
Serbia (Kosovo) -- Demonstrations in Mitrovica
Russia (Chechnya) -- Situation Update
Azerbaijan -- Terrorism Report

MIDDLE EAST Syria -- U.S. "Coddling" of Bashar Assad

Baharain -- Baharaini Princess Seeking Asylum

SOUTH ASIA Pakistan -- Qazi Hussain Ahmad

WESTERN Venezuela / Guyana -- U.S. Commercial Satellite Launch
HEMISPHERE Venture

MISCELLANEOUS Arms Control -- Readout on Holum Remarks to
Writers' Defense Group Press
Breakfast
Department -- Hold on Ambassadorial Nominations/
Linda Shenwick Case
-- Computer Virus
AIDS -- EX-IM Aids Initiative
Labor -- Third Annual Labor Officers
Conference

THERE WAS NO DAILY PRESS BRIEFING TODAY

AF PRESS GUIDANCE
July 19, 2000
SIERRA LEONE

SUMMARY POINTS

- * Freetown quiet.
- * Foday Sankoh in custody of Sierra Leone authorities at undisclosed location.
- * UN forces number 12,435 as of June 19, out of authorized total of 13,000.
- * Two companies of UN Indian troops (222) and 11 military observers for a total of 233, who were surrounded by rebel forces in Kailahun in the east, were rescued last weekend.

Q: What is the U.S. comment on today's Washington Post commentary by Michael Kelly regarding the U.S. role in the Lome Peace Agreement of July 7, 1999? Was Spokesman Philip Reeker's June 5 statement "an extraordinary lie"?

A: NO. THE LOME ACCORD OF JULY 7, 1999 WAS DEVELOPED BY THE PARTIES IN SIERRA LEONE WITH THE SUPPORT OF THE REGION. THE AMNESTY CLAUSE AND THE OTHER PARTICULARS OF THE LOME AGREEMENT WERE NEGOTIATED BETWEEN THE GOVERNMENT OF SIERRA LEONE AND THE REVOLUTIONARY UNITED FRONT (RUF) LED BY FODAY SANKOH. THE U.S. ROLE WAS TO WORK WITH BOTH PARTIES TO GET THE TALKS STARTED AND TO KEEP THEM MOVING FORWARD.

THE LOME ACCORD WAS A REGIONALLY-SANCTIONED AGREEMENT SUPPORTED BY COUNTRIES WITH A VESTED INTEREST IN THE STABILITY OF SIERRA LEONE AND THE REGION, AND IN PREVENTING THE MILITARY OVERTHROW OF A DEMOCRATICALLY-ELECTED GOVERNMENT IN SIERRA LEONE.

THE UNITED STATES, ALONG WITH THE REGIONAL STATES (ECOWAS), THE UNITED NATIONS, THE ORGANIZATION FOR AFRICAN UNITY, GREAT BRITAIN AND OTHERS, HELPED SUPPORT THE PEACE TALKS. WE PROVIDED FUNDING FOR THE SECRETARIAT THAT FACILITATED THE TALKS WHILE AMBASSADOR MELROSE MET REGULARLY WITH THE PARTIES TO ENSURE CONTINUATION OF THE DIALOGUE BETWEEN THE PARTIES. THIS AGREEMENT IS BETWEEN THE GOVERNMENT OF SIERRA LEONE AND THE REBEL FORCES.

THE LOME AGREEMENT WAS NOT BROKERED BY THE UNITED STATES NOR DRAFTED BY THE

UNITED STATES. NEITHER DID THE UNITED STATES PRESSURE ANYONE TO SIGN THE AGREEMENT.

THE U.S., AT THE INVITATION OF THE PARTIES AND THROUGH THE EFFORTS OF REVEREND JESSE JACKSON, DID HELP BROKER THE CEASE-FIRE AGREEMENT OF MAY 18, 1999 THAT STOPPED THE KILLING. THE U.S ALSO PLAYED A ROLE IN FACILITATING THE PEACE NEGOTIATIONS AND THE PARTICIPATION OF SIERRA LEONEAN CIVIL SOCIETY LEADERS AS WELL.

HOWEVER, THE ENSUING PEACE AGREEMENT AND THE DOMESTIC AMNESTY FOR COMBATANTS THAT IT CONTAINS WERE NEGOTIATED DIRECTLY BETWEEN PRESIDENT KABBAH'S GOVERNMENT AND THE REBEL LEADERSHIP UNDER THE AUSPICES OF THE ECONOMIC COMMUNITY OF WEST AFRICAN STATES.

IT WAS THE SIERRA LEONE GOVERNMENT'S DECISION TO INCLUDE FOUR OF THE REBEL LEADERS IN THE GOVERNMENT IN ORDER TO DEFUSE THE ROOT CAUSES OF THE CONFLICT AND TO PROMOTE THE STABILITY AND RECONCILIATION NECESSARY TO THE REGENERATION OF CIVIL SOCIETY.

Q: What is the U.S. view of the role of President Taylor of Liberia?

A: THERE IS NO QUESTION BUT THAT PRESIDENT TAYLOR HAS INFLUENCE OVER THE REBEL FORCES IN SIERRA LEONE. WE HAD URGED HIM TO USE THAT INFLUENCE TO SECURE THE RELEASE OF THE UN HOSTAGES AS HE WAS MANDATED TO DO BY THE WEST AFRICAN HEADS OF STATE. WE ARE ALSO CONCERNED BY REPORTS OF VIOLATIONS BY LIBERIA OF THE UN ARMS

EMBARGO AND ILLEGAL TRAFFICKING IN DIAMONDS. THE U.S. HOPES THAT PRESIDENT TAYLOR WILL NOW USE HIS INFLUENCE WITH THE REBELS TO RESTORE PEACE AND STABILITY TO SIERRA LEONE.

Q: Does the U.S. now believe that Foday Sankoh can/should play a role in Sierra Leone?

A: NO. THE LOME PEACE AGREEMENT OFFERED FODAY SANKOH A WINDOW OF OPPORTUNITY TO PARTICIPATE POLITICALLY IN THE RECONSTRUCTION AND REHABILITATION OF HIS COUNTRY AND HELP BRING PEACE TO ALL THE PEOPLE OF SIERRA LEONE. HE HAS WASTED THAT OPPORTUNITY. WE DO NOT SEE A ROLE FOR HIM IN SIERRA LEONE'S FUTURE. AS U.S. AMBASSADOR TO THE UNITED NATIONS RICHARD HOLBROOKE WROTE IN A MAY 30 LETTER TO SENATOR JUDD GREGG, "THE UNITED STATES DOES NOT BELIEVE THAT FODAY SANKOH SHOULD PLAY ANY ROLE WHATSOEVER IN THE FUTURE POLITICAL PROCESS IN SIERRA LEONE, AND WE WILL CONTINUE TO PRESS THIS POINT. HE MUST BE HELD ACCOUNTABLE FOR HIS ACTIONS."

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S/WCI:DShea
DRL:DDearborn

EAP PRESS GUIDANCE

July 19, 2000

SOUTH KOREA - PRESIDENT KIM COMMENTS ON STATUS OF FORCES AGREEMENT (SOFA)
REVISION

Q: What is your reaction to President Kim Dae-jung's comments on the Status of Forces Agreement?

A: -- THE U.S. IS COMMITTED TO WORKING WITH OUR SOUTH KOREAN ALLIES TO ADDRESS KOREAN CONCERNS WITH RESPECT TO THE STATUS OF FORCES AGREEMENT.

IT IS IN THE INTERESTS OF A STRONG U.S.-SOUTH KOREAN MILITARY PARTNERSHIP THAT WE RESOLVE THE SOFA ISSUE IN A EQUITABLE MANNER.

WE AGREE WITH PRESIDENT KIM THAT THE TWO SIDES MUST WORK TOGETHER TO RESOLVE THIS ISSUE AS SOON AS POSSIBLE.

ALTHOUGH THE ISSUES INVOLVED ARE COMPLEX, WE HOPE FOR AN OUTCOME THAT SATISFACTORILY ADDRESSES EACH SIDES NEEDS.

Q: What about the LA Times report quoting an "American Official" that the U.S. was prepared to renegotiate anything the South Korean government deemed unfair?

A: -- A HIGH-LEVEL U.S. DELEGATION WILL TRAVEL TO SEOUL AUGUST 2-3 FOR AN OPENING ROUND OF SOFA REVISION TALKS.

WE EXPECT TO EXCHANGE CANDID VIEWS WITH THE SOUTH KOREAN TEAM AND LISTEN TO THEIR CONCERNS.

THE ISSUES INVOLVED IN SOFA REVISION ARE COMPLEX. WE WILL ESTABLISH A PRODUCTIVE DIALOGUE THAT WILL FACILITATE AN OUTCOME ACCEPTABLE TO BOTH

SIDES.

OBVIOUSLY, WE CANNOT MAKE SPECIFIC COMMITMENTS ON INDIVIDUAL ISSUES
RELATED TO
SOFA IN ADVANCE OF THESE DISCUSSIONS.

OUR TEAM WILL TRAVEL TO SEOUL A DETERMINATION TO WORK ASSIDUOUSLY WITH
OUR SOUTH
KOREA ALLIES TO RESOLVE THIS ISSUE AS EXPEDITIOUSLY AS POSSIBLE.

Q: Any other comments on President Kim's interview?

PRESIDENT KIM'S ENGAGEMENT POLICY AND VISIONARY LEADERSHIP HAVE PLAYED
KEY ROLES
IN RECENT POSITIVE DEVELOPMENTS ON THE KOREAN PENINSULA, PARTICULARLY THE
HISTORIC INTER-KOREA SUMMIT LAST MONTH.

WE CONTINUE TO SUPPORT SOUTH KOREA'S ENGAGEMENT POLICY AND COORDINATE
CLOSELY
WITH OUR ALLIES, SOUTH KOREA AND JAPAN, IN MANAGING OUR RESPECTIVE
DIPLOMACY WITH
NORTH KOREA.

Context: In an lengthy interview with the LA Times , published July 19, that
focused primarily on his engagement policy and reproachment with North Korea,
South Korean President Kim Dae-jung criticized the U.S.-South Korean Status of
Forces Agreement (SOFA), which covers the presence of U.S. troops in South Korea,
as discriminatory and in need of urgent revision to stem the tide of
anti-American sentiment in South Korea. The U.S. and South Korea will meet
August 2-3 in Seoul for a first round of SOFA revision discussions. The LA Times
article also quotes an unnamed "American official" as saying the U.S. was
prepared to revise anything the South Korean government deemed unfair. This is
an overstatement. The USG is prepared to listen to all ROKG concerns and work
constructively with the ROK to address them, but has not granted the South
Koreans a blank check in advance of negotiations.

p/p/k press guidances/7-19SOFA.doc

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C:MStorella(ok)
P:CHart(ok)
S/P:MPalmer(info)
NSC:JPritchard(ok)
JCS:PVosti
OSD:CJones(ok)

EAP PRESS GUIDANCE
July 19, 2000

CHINA: SCHEDULING OF SENATE PNTR VOTE

Q: What is the Administration's reaction to Senate Majority Leader Lott's reported statement that a Senate vote on permanent Normal Trade Relations (PNTR) for China is unlikely before the Congressional summer recess?

A: WE HAVE SAID FOR SOME TIME THAT IT IS IMPORTANT FOR THE SENATE TO MOVE FORWARD ON PNTR FOR CHINA. YESTERDAY'S ANNOUNCEMENT TO BEGIN DEBATE IS A POSITIVE STEP, BUT WITH WIDE BIPARTISAN SUPPORT FOR OUR BILATERAL AGREEMENT ON CHINA'S

ACCESSION

TO THE WTO, IT IS CRITICAL THAT THE SENATE LOCK IN ITS BENEFITS WITH A FINAL VOTE.

* AS THE PRESIDENT HAS REPEATEDLY SAID, PNTR STATUS FOR CHINA IS IN THE FUNDAMENTAL ECONOMIC AND NATIONAL SECURITY INTEREST OF THE UNITED STATES. ENACTMENT OF PNTR FOR CHINA WILL STRENGTHEN OUR SECURITY AND PROSPERITY WHILE ADVANCING AMERICAN VALUES.

Background: According to press reports, next week Senator Lott plans to begin 30 hours of Senate debate on the PNTR bill that the House passed in May. The vote could occur after the Senate's return from summer recess on September 6. Minority Leader Daschle said he hopes to complete debate and hold the vote before the recess. It remains unclear how the Senate will handle a number of possible amendments that, if passed, would force the measure back to the House for a second vote.

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EAP:RDeming ok

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EB/TPP: DAAckerman&HDClark ok

EAP/CM: RXGoldberg ok

EAP/CM: SASchlaikjer ok

EAP/RSP: EWRunning ok

NSC: JKeith ok

USTR: Astillwell info

H: Jbuczacki ok

White House China Working Group ok

EAP PRESS GUIDANCE

July 19, 2000

NORTH KOREA - BERLIN TALKS

Q: What is the nature of Ambassador Kartman's meetings in Berlin with his North Korean counterpart?

A: -- AMBASSADOR KARTMAN IS IN BERLIN TO DISCUSS THE FULL RANGE OF BILATERAL ISSUES BETWEEN THE U.S. AND NORTH KOREA. THE TALKS ARE SCHEDULED TO LAST FROM JULY 19 UNTIL JULY 21. AMBASSADOR KARTMAN LAST MET WITH VICE FOREIGN MINISTER KIM GYE GWAN IN ROME, MAY 24-30, FOR AGREED FRAMEWORK IMPLEMENTATION TALKS.

Q: Will the delegations discuss a possible meeting in Bangkok, during the ASEAN Regional Forum, between Secretary Albright and North Korean Foreign Minister Paek Nam Sun?

A: -- I HAVE NO ANNOUNCEMENT ABOUT THE SECRETARY'S SCHEDULE.

-- AMBASSADOR KARTMAN IS PREPARED TO DISCUSS THE FULL RANGE OF BILATERAL ISSUES, INCLUDING WHATEVER ISSUES THE NORTH KOREANS MIGHT RAISE.

Context: Ambassador Kartman began meetings with DPRK VFM Kim Gye Gwan in Berlin on July 19.

EAP PRESS GUIDANCE

July 19, 2000 (REVISED)

NORTH KOREA - PUTIN VISIT

Q: What is your reaction to President Putin's visit to North Korea?

A: -- THE UNITED STATES WELCOMES PRESIDENT PUTIN'S VISIT TO NORTH KOREA. WE HAVE CONSISTENTLY SUPPORTED INCREASED ENGAGEMENT WITH PYONGYANG BY MEMBERS OF THE INTERNATIONAL COMMUNITY AS NORTH KOREA MEETS THE CONCERNS OF THE INTERNATIONAL COMMUNITY.

-- WE HAVE CONSULTED WITH RUSSIA ON NUMEROUS OCCASIONS ON MATTERS RELATED TO THE KOREAN PENINSULA. LIKE US, MOSCOW HAS SUPPORTED THE INTER-KOREAN SUMMIT AND SOUTH KOREAN PRESIDENT KIM DAE-JUNG'S ENGAGEMENT POLICY TOWARD NORTH KOREA.

Q: Do you have any reaction to the media reports that North Korea told Putin it is willing to give up its missile program?

A: -- WE HAVE SEEN THE PRESS REPORTS ON THIS SUBJECT. THOSE REPORTS ARE UNCLEAR ABOUT SPECIFICALLY WHAT THE DPRK SAID IT WAS PREPARED TO DO. WE ARE SEEKING CLARIFICATION FROM THE RUSSIAN GOVERNMENT AS TO EXACTLY WHAT PRESIDENT PUTIN WAS TOLD IN PYONGYANG.

-- NONPROLIFERATION ASSISTANT SECRETARY EINHORN MET WITH A NORTH KOREAN DELEGATION IN MALAYSIA FROM JULY 10-12 TO DISCUSS THE NORTH KOREAN MISSILE PROGRAM. THE THREE DAYS IN KUALA LUMPUR GAVE US AN OPPORTUNITY TO EXCHANGE DETAILED VIEWS ON OUR RESPECTIVE POSITIONS, TO DISCUSS PROPOSALS THAT THE U.S.

HAS PUT ON THE TABLE REGARDING NORTH KOREA'S MISSILE EXPORTS AND ITS INDIGENOUS CAPABILITIES, AND TO BEGIN TO LAY THE GROUNDWORK FOR, HOPEFULLY, MAKING

SIGNIFICANT PROGRESS IN THE PERIOD AHEAD.

-- WE AGREED IN KUALA LUMPUR TO HOLD ANOTHER ROUND OF THESE DISCUSSIONS AS SOON AS POSSIBLE AND WE ARE SEEKING TO ARRANGE AN EARLY DATE.

-- WE LOOK FOR CONCRETE ACTION BY NORTH KOREA ON ITS MISSILE PROGRAM TO ACHIEVE REAL PROGRESS IN ADDRESSING THE CONCERNS OF THE INTERNATIONAL COMMUNITY.

Context: President Putin arrived in North Korea on July 19 and held a two-hour meeting with Kim Jong Il. The Russian media quoted President Vladimir Putin as saying North Korea had offered to give up its own missile program if given access to other countries' rockets for space research. Various media reports have stated that Putin hopes to reign in the North Korean missile program in an attempt to dissuade the USG from moving ahead with a National Missile Defense.

p/p/korea press guidance/7-19berlinrussia

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Cleared: EAP:SORoth (ok)

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NP/CPA:CKessler (ok)

NP/CBM:VVanDiepen (ok)

NP/RA:KSchultz (ok)

EUR/RUS:KSheehan (ok)

C:MStorella (ok)

P:CHart (ok)

S/P:MPalmer (info)

NSC:JPritchard (info)

JCS:ABorchardt (info)

OSD:JKessinger (info)

NP:REinhorn (ok)

EAP PRESS GUIDANCE
JULY 19, 2000

SOLOMON ISLANDS - ETHNIC CONFLICT

Q: What do you know about reports that the warring militias have agreed to ceasefire talks?

A: MEMBERS OF BOTH THE MALAITA EAGLE FORCE (MEF) AND THE ISATABU FREEDOM MOVEMENT (IFM) HAVE AGREED TO TAKE PART IN PEACE TALKS HOSTED BY THE GOVERNMENT OF THE SOLOMON ISLANDS. THESE TALKS ARE SCHEDULED TO TAKE PLACE ON THURSDAY ABOARD THE HMAS TOBRUK, AN AUSTRALIAN NAVAL SHIP.

-- THE GOVERNMENT OF THE SOLOMON ISLANDS HOPES THE PEACE TALKS TO PRODUCE A CEASEFIRE AGREEMENT, WHICH WILL INCLUDE PROVISIONS FOR THE SURRENDER OF WEAPONS AND THE RESUMPTION OF NORMAL POLICE ACTIVITIES.

Q: What is the U.S. position on this development?

A: THE U.S. ENDORSES PRIME MINISTER SOGAVARE'S CALL FOR LASTING PEACE. WE URGE ALL PARTIES IN THE CONFLICT TO LAY DOWN THEIR ARMS AND RESOLUTELY ENGAGE IN

A
CEASEFIRE DIALOGUE AIMED AT RESTORING PEACE AND CIVIL ORDER.

CONTEXT: THE U.S. EMBASSY IN PORT MORESBY, PAPUA NEW GUINEA HAS
RESPONSIBILITY
FOR HANDLING OUR DIPLOMATIC RELATIONS WITH THE SOLOMON ISLANDS. ETHNIC
CONFLICT
HAS BEEN ONGOING FOR ABOUT TWENTY MONTHS IN AND AROUND THE SOLOMON
ISLANDS'
CAPITAL, HONIARA, ON THE ISLAND OF GUADALCANAL. ARMED MILITANTS NATIVE TO
GUADALCANAL (THE ISATAMBU FREEDOM MOVEMENT) CLASHED WITH SETTLERS FROM
NEIGHBORING MALAITA ISLAND, FORCING UPWARDS OF 25,000 MALAITANS FROM THEIR
HOMES.
EARLY PEACE EFFORTS WERE UNSUCCESSFUL. FORMER PRIME MINISTER
BARTHOLOMEW
ULUFA'ALU RESIGNED FOLLOWING HIS ABDUCTION BY THE MALAITA EAGLE FORCE, AN
ARMED
MALAITIAN MILITANT GROUP. MANNASSEH SOGAVARE WAS ELECTED PRIME MINISTER
ON JUNE
30. SOGAVARE'S RECONCILIATION GOVERNMENT HAS PRODUCED A PEACE PLAN AND
HAS
WORKED TO HOLD CEASEFIRE TALKS BETWEEN THE MILITIAS. HOWEVER, SPORADIC
VIOLENCE
CONTINUES BETWEEN THE MILITANTS.

EAP/ANP:DWALD
CLEARANCES

EAP:SOROTH
EAP:RBOYCE
EAP/ANP:SBLAKE
EAP/P:KBAILES

CA/OCS:KDURKIN
P:DSHIELDS

EAP PRESS GUIDANCE
July 19, 2000

FIJI - THREAT TO DEMOCRACY

Q: What can you tell us about Fiji's new government and ousted PM Chaudhry's call for reinstatement of his government?

A:-- WE UNDERSTAND THAT THE SWEARING-IN CEREMONY FOR FIJI'S NEWLY APPOINTED INTERIM GOVERNMENT HAS BEEN POSTPONED. LAISENIA QARASE, WHO HAS BEEN APPOINTED TO CONTINUE AS INTERIM PRIME MINISTER, ANNOUNCED THAT THE CEREMONY HAD BEEN POSTPONED DUE TO PRESIDENT ILOILO'S POOR HEALTH. HOSTAGE TAKER GEORGE SPEIGHT HAS CLAIMED THE DELAY WAS CAUSED BY FEARS THAT THE CABINET LINEUP, WHICH INCLUDES FEW SPEIGHT SUPPORTERS, MIGHT PROVOKE VIOLENCE.

-- THE SITUATION REMAINS IN FLUX AND CONFUSED.

-- THE U.S. STRONGLY CONDEMNS THE USE OR THREAT OF VIOLENCE AND CALLS FOR A RETURN TO LAWFUL, CONSTITUTIONAL DEMOCRACY IN FIJI.

-- THE GREAT COUNCIL OF CHIEFS HAS NAMED FORMER VICE PRESIDENT RATU ILOILO TO BE PRESIDENT AND JOPE SENILOLI TO BE VICE PRESIDENT.

-- THE HEAD OF THE INTERIM ADMINISTRATION APPOINTED BY THE MILITARY, LAISENIA QARASE, WILL CONTINUE AS INTERIM PRIME MINISTER.

-- WE UNDERSTAND THAT THE NEWLY APPOINTED INTERIM GOVERNMENT INCLUDES ONLY ONE MINISTER AND THREE ASSISTANT MINISTERS FROM AMONG GEORGE SPEIGHT'S SUPPORTERS. THERE WERE A TOTAL OF 32 MINISTERIAL AND ASSISTANT MINISTERIAL POSITIONS NAMED IN THIS GOVERNMENT.

-- MAHENDRA CHAUDHRY HAS ASKED FIJI'S PEOPLE TO SUPPORT HIS RETURN TO OFFICE AS PRIME MINISTER.

-- THE APPOINTMENT OF AN UNELECTED GOVERNMENT CLEARLY DOES NOT REPRESENT A RETURN TO LAWFUL, CONSTITUTIONAL GOVERNMENT.

Q: What is the U.S. doing?

A: -- WE ARE EXAMINING THE APPLICATION OF SECTION 508 OF THE FOREIGN OPERATIONS, EXPORT FINANCING AND RELATED PROGRAMS APPROPRIATIONS ACT (P.L. 106-113), WHICH PROVIDES THAT NO FUNDS APPROPRIATED OR OTHERWISE MADE AVAILABLE MAY "FINANCE DIRECTLY ANY ASSISTANCE TO ANY COUNTRY WHOSE DULY ELECTED HEAD OF GOVERNMENT IS DEPOSED BY MILITARY COUP OR DECREE."

-- MEANWHILE, WE HAVE NONETHELESS DECIDED, AS A MATTER OF POLICY, TO SUSPEND SECURITY ASSISTANCE AND DEFENSE COOPERATION WITH FIJI, WHICH WILL AFFECT PROGRAMS

WORTH OVER ONE MILLION DOLLARS.

-- LAST WEEK, WE RECALLED OUR AMBASSADOR TO FIJI, OSMAN SIDDIQUE, FOR CONSULTATIONS. HE IS NOW IN WASHINGTON MEETING WITH SENIOR OFFICIALS.

IF ASKED

-- WE HAVE NO OTHER BILATERAL AID PROGRAM WITH FIJI, AND OUR PEACE CORPS PROGRAM

THERE WAS CLOSED IN 1997.

Q: What sanctions have Australia and New Zealand announced against Fiji?

A: -- THE AUSTRALIAN GOVERNMENT HAS ANNOUNCED A CUT IN BILATERAL AID OF ABOUT 30%; SUSPENSION OF SECURITY ASSISTANCE AND DEFENSE COOPERATION; SUSPENSION OF TRADE PREFERENCES; A DECISION NOT TO EXTEND IMPORT CREDITS WHEN THE PRESENT

PROGRAM EXPIRES IN TWO MONTHS; A BAN ON FIJI'S SPORTING TEAMS, THOUGH THAT WILL NOT APPLY TO OLYMPICS; AND RECALL OF ITS REPRESENTATIVE (HIGH COMMISSIONER) TO FIJI.

-- THE NEW ZEALAND GOVERNMENT HAS ANNOUNCED A RECALLOF THEIR HIGH COMMISSIONER TO FIJI; A CUT IN BILATERAL AID IN HALF; A SUSPENSION OF NEW EDUCATIONAL ASSISTANCE PROGRAMS; A SUSPENSION OF SECURITY ASSISTANCE AND DEFENSE COOPERATION; AND INCLUSION OF FAMILY MEMBERS OF SPEIGHT'S SUPPORTERS AMONG THOSE INELIGIBLE FOR NZ VISAS. NEW ZEALAND HAD PREVIOUSLY IMPOSED A SPORTING BAN AGAINST FIJI.

Q: What can you tell us about the current situation in Fiji?

A:-- WE CONTINUE TO URGE AMERICANS TO DEPART FIJI BECAUSE OF THE INSTABILITY RESULTING FROM THE ONGOING POLITICAL CRISIS, AND THE RECENT TAKEOVER OF RESORTS

IN FIJI.

-- WE HAVE NO REPORTS OF INJURIES TO AMERICANS IN FIJI AT THIS TIME.

-- THE EMBASSY CONTINUES TO COMMUNICATE WITH PRIVATE AMERICANS IN FIJI TO DETERMINE THEIR WELL BEING, UPDATE THEM ON THE SECURITY SITUATION, AND TO URGE THEM TO DEPART.

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P/P/PIAPressGuidances/FijiUpdate 7-19
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EAP/ANP:SBlake
EAP/P:KBailes
P:CAHart
L/EAP:MComfort
CA/PA:CLamora
DRL/BA:Mschall

EUR GUIDANCE
AUSTRIA
July 19, 2000

EU REPORTEDLY CONSIDERS "EXIT STRATEGY"
TO END AUSTRIA SANCTIONS

Q: There are reports that the EU is considering ways to end sanctions against Austria, in return for Austria's agreement to cancel a referendum on the sanctions. Does this affect U.S. policy toward Austria?

* OUR POLICY HAS NOT CHANGED. WE REMAIN CONCERNED ABOUT THE FREEDOM PARTY'S PARTICIPATION IN THE AUSTRIAN GOVERNMENT.

* WE WILL CONTINUE TO HOLD THE NEW GOVERNMENT TO THE SPIRIT AND LETTER OF THE PREAMBLE TO THE COALITION AGREEMENT, WHICH BOTH PARTIES IN THE GOVERNMENT SIGNED. THIS PREAMBLE COMMITS THE AUSTRIAN GOVERNMENT TO SUPPORTING PLURALISM, TOLERANCE AND DEMOCRATIC PRINCIPLES.

Q: But hasn't the Austrian government shown so far that it has upheld these principles? Is any thought being given to easing the contact policy?

* WE ARE NOT CURRENTLY CONTEMPLATING A CHANGE IN OUR POLICY OF LIMITING HIGH-LEVEL CONTACTS. WE WILL CONTINUE TO MONITOR THE AUSTRIAN GOVERNMENT'S COMPLIANCE WITH ALL THE PRINCIPLES IN THE PREAMBLE. WE WILL ALSO STAY IN CLOSE TOUCH WITH THE EU ON THIS MATTER.

* THE AUSTRIAN GOVERNMENT HAS MADE SIGNIFICANT PROGRESS IN A NUMBER OF AREAS OF INTEREST TO THE U.S. NONETHELESS THERE HAVE BEEN SOME MISSED OPPORTUNITIES TO STRESS ITS COMMITMENT TO A PLURALISTIC, TOLERANT, DEMOCRATIC VALUES, AND WE CONTINUE TO HAVE CONCERNS ABOUT THE FREEDOM PARTY.

* WE ARE ENGAGED WITH THE GOVERNMENT ON ISSUES OF INTEREST TO US, AND THE SECRETARY CONSULTS REGULARLY ON DEVELOPMENTS WITH OUR AMBASSADOR TO AUSTRIA,
KATHRYN HALL.

Drafted: EUR/PPA: Pfrayne/SKaiser 7-6925

Cleared: EUR/AGS:RReinhart
EUR/FO: JGadsden
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EUR PRESS GUIDANCE
KOSOVO
July 19, 2000

KOSOVO: DEMONSTRATIONS IN MITROVICA

Q. Do you have any comment on the demonstrations yesterday in Mitrovica following the arrest of Serb Dalibor Vukovic?

-- THE DEMONSTRATIONS YESTERDAY IN MITROVICA WERE AN ATTEMPT TO INTIMIDATE THE UNITED NATIONS INTERIM ADMINISTRATION MISSION IN KOSOVO (UNMIK) AFTER THE LEGITIMATE ARREST AND DETENTION OF A SUSPECTED CRIMINAL.

-- WE ARE IN TOUCH WITH UNMIK ON THIS ISSUE. THE RULE OF LAW MUST BE ESTABLISHED AND ENFORCED THROUGHOUT THE REGION.

-- WE ARE RESOLUTELY OPPOSED TO ANY ACTIONS THAT SEEK TO DIVIDE KOSOVO. WE HAVE CONSISTENTLY URGED ALL PARTIES TO REFRAIN FROM VIOLENT ACTIONS AND PERMIT THE UNITED NATIONS INTERIM ADMINISTRATION MISSION IN KOSOVO AND NATO TO CARRY OUT THEIR WORK. WE REITERATE THIS CALL TODAY.

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

Context: On July 18, mass rallies and demonstrations in Kosovo protested the Monday arrest of Serb Dalibor Vukovic on charges of setting fire to Albanian cars. The arrest provoked charges of U.N. and NATO favoritism toward the ethnic Albanian minority. Roadblocks continue today, and there are reports that attackers broke into and intimidated U.N. police officers (CIVPOL) in their homes.

Vukovic is reportedly the head of the Serbian "bridgewatchers" group in Mitrovica. CIVPOL has temporarily suspended its operations in the northern part of the city and withdrawn some of their forces for security reasons. A small group of officers remain in the police stations. This withdrawal has not yet appeared in press reports. We are still addressing the security question.

Drafted: EUR/PPA:Kbyrnes 7-8341

Cleared: S/SA:JO'Brien
S/SA:RGregorian
S/SA:JMenziez
EUR/RPM:JMcGhee
EUR/SCE:Tcountryman
EUR/SCE:Pkaplan
IO:Mnardi
INL:RGifford
EUR/PPA:Tswitzer/Skaiser
DRL:BNorman

S/NIS PRESS GUIDANCE
July 19, 2000

Russia: Update on Chechnya

Q: Comment on reports of dispute between pro-Moscow Chechen allies?

A: -- AS RUSSIAN OFFICIALS THEMSELVES ARE NOTING WITH INCREASING FREQUENCY IN

PUBLIC STATEMENTS, IT IS CLEAR THAT A MILITARY SOLUTION TO REGION'S MANY PROBLEMS IS NOT POSSIBLE.

-- URGE ALL SIDES TO DECLARE AN END TO THE FIGHTING, OPEN DIALOGUE TOWARDS POLITICAL SOLUTION.

-- GOOD OFFICES OF THE OSCE CAN BE HELPFUL IN RESTORING STABILITY, COORDINATING INTERNATIONAL RELIEF EFFORTS. URGE RUSSIAN GOVERNMENT TO FACILITATE RETURN OF OSCE ASSISTANCE GROUP TO REGION.

Background: Press has reported an incident on July 18 involving Russian-appointed head of administration for Chechnya Akhmed Kadyrov and his deputy Beslan Gantemirov. Gantemirov apparently arrived in Gudermes, where Kadyrov is based, with 200 armed men. He and his men left after the intervention of Russian General Babichev in the dispute. There is speculation that Gantemirov was trying to intimidate Kadyrov into rehiring local administrators Kadyrov dismissed. Those dismissed officials were reportedly Gantemirov loyalists. President Putin's spokesman for Chechnya Sergey Yastrzembsky said Gantemirov's actions were illegal, and there are reports Russians have instituted criminal proceedings against him.

Russians appointed former mayor of Grozny, paramilitary leader and convicted embezzler Gantemirov as Kadyrov's deputy earlier this month. Gantemirov was released from prison earlier to lead pro-Moscow paramilitary group fighting in Chechnya.

At the G-8 foreign ministers' meeting in Miyazaki, Russian Foreign Minister Ivanov told a press conference that there can only be a political solution to the Chechen conflict.

DRAFTED EUR/RUS:TRICHARDSON
CLEARED EUR/RUS: SWINNICK (ok)
DRL:WSILVERMAN (ok)
P:CAHART
D:TKAIDANOW (ok)

S/P:ASTENT (ok)
Nsc: MBRZEZHINSKI
S/nis:JBEYRLE

S/NIS Press Guidance
July 19, 2000

AZERBAIJAN: TERRORISM REPORT

Q: Any comment on Azerbaijani objections to the State Department's comments on Azerbaijan in the 1999 "Patterns of Global Terrorism" report?

A: THE TEXT OF THE REPORT IS ACCURATE

-- WANT TO MAKE CLEAR THE REPORT DOES NOT INDICATE THAT AZERBAIJAN IS A STATE SPONSOR OF TERRORISM. THE UNITED STATES IN NO WAY REGARDS THE GOVERNMENT OF AZERBAIJAN IN THIS LIGHT.

-- WE RECOGNIZE THAT THE AZERBAIJANI GOVERNMENT HAS TAKEN STEPS TO PREVENT TERRORISTS FROM OPERATING ON ITS TERRITORY.

-- THESE EFFORTS HAVE CONTRIBUTED TO INTERNATIONAL COUNTERTERRORISM EFFORTS. .

-- WE LOOK FORWARD TO CONTINUED COOPERATION WITH THE GOVERNMENT OF AZERBAIJAN TO COMBAT INTERNATIONAL TERRORISM.

BACKGROUND: The Government of Azerbaijan has reacted very negatively to the

State Department 1999 report on "Patterns of Global Terrorism." The report states that Azerbaijan served as a hub for international mujahidin with ties to terrorist groups, some of whom supported the Chechen insurgency in Russia. Azerbaijani government officials as well as Azerbaijani press have interpreted this to mean that the State Department believes that the Government of Azerbaijan is supportive of international terrorism.

Levine/Press Guid/ Terrorism Report 7-17-00

Drafted:EUR/CACEN:JSLevine

Cleared:S/NIS:Dfried - ok

EUR/CACEN:CBond - ok

EUR/CGI Ncook -

S/CT: Nbibbins -

NEA Press Guidance

Wednesday, July 19, 2000

SYRIA: CODDLING BASHAR AL-ASAD?

Q: What comment do you have to criticism that you are coddling Bashar al-Asad through your congratulatory messages? Wasn't his inauguration address a rebuff to U.S. sponsorship of the Middle East Peace Process?

-- IN 1991, SYRIA UNDER THE LATE PRESIDENT HAFEZ AL-ASAD MADE A STRATEGIC CHOICE FOR PEACE AND WORKED HARD TO MAKE THAT GOAL A REALITY.

-- BOTH IN PRIVATE MEETINGS WITH THE SECRETARY AND PUBLICLY IN HIS INAUGURATION ADDRESS, PRESIDENT BASHAR AL-ASAD REAFFIRMED SYRIAN COMMITMENT TO THE PEACE PROCESS AND THE U.S. ROLE AS A BROKER FOR PEACE.

-- THE CONGRATULATORY MESSAGES FROM PRESIDENT CLINTON AND SECRETARY

ALBRIGHT
EXPRESSED APPRECIATION FOR THIS COMMITMENT TO A COMPREHENSIVE MIDDLE EAST
PEACE,
AND CONVEYED OUR EXPECTATION THAT SYRIA WILL NOT DEVIATE FROM THE PATH OF
PEACE.

-- WE LOOK FORWARD TO WORKING WITH SYRIA AND DISCUSSING THE STATUS OF THE
PEACE
PROCESS WITH BASHAR AL-ASAD IN OUR FUTURE CONTACTS.

Context: A Wall Street Journal editorial has criticized the Clinton
Administration for "coddling" Bashar al-Asad, in sending congratulatory messages
on his inauguration. The editorial further asserts that the inauguration address
was "a rebuff" to U.S. policies and sponsorship of the MEPP.

DRAFTED: NEA/P:GWSULLIVAN
NEA/ARN:ABODINE
NEA/ARN:EMILLARD/JBURNS

NEA Press Guidance
Wednesday, July 19, 2000

BAHRAIN: BAHRAINI PRINCESS SEEKING ASYLUM

Q: What are the facts in the case of the Bahraini princess seeking asylum in the
United States? Is it true she is going for her asylum hearing today in
California?

-- THIS MATTER CONCERNS A PENDING HEARING BEFORE AN IMMIGRATION JUDGE. THE
CASE
IS UNDER THE PURVIEW OF THE IMMIGRATION AND NATURALIZATION SERVICE.

-- I WOULD REFER YOU TO THE INS FOR ANY COMMENT ON THESE PROCEEDINGS.

Q: Has the Bahraini governments contacted us about deporting her? Has the State
Department recommended she be deported?

-- THE BAHRAINI GOVERNMENT HAS MADE ITS VIEWS KNOWN CONCERNING THIS MATTER.

-- WE FEEL THAT THIS CASE SHOULD BE DECIDED ON ITS MERITS CONSISTENT WITH THE PROVISIONS OF U.S. IMMIGRATION LAW.

-- I WOULD REFER YOU TO THE IMMIGRATION AND NATURALIZATION SERVICE FOR ANY DETAILS ON THE STATUS OF HER CASE.

(IF PRESSED):

-- THE COUPLE WAS INITIALLY DETAINED AT THE I.N.S. PORT OF ENTRY IN CHICAGO BECAUSE THEY SUBMITTED FALSIFIED DOCUMENTATION, AND NOT BECAUSE OF ANY RECOMMENDATION BY THE DEPARTMENT OF STATE.

(IF PRESSED ON DISCIPLINING THE MARINE)

-- THE MARINE RECEIVED NON-JUDICIAL PUNISHMENT (AS OPPOSED TO CRIMINAL SENTENCING) STEMMING FROM HIS USE OF FALSIFIED DOCUMENTS FOR IMMIGRATION PURPOSES. THE NATURE OF HIS RELATIONSHIP TO MS. AL-KHALIFA WAS NEVER A FACTOR IN ANY PUNITIVE ACTION AGAINST HIM.

Q: Should she be returned to Bahrain, wouldn't she be persecuted or even killed, given the treatment of women in the Middle East?

-- FOR ADDITIONAL INFORMATION ON THE TREATMENT OF WOMEN IN BAHRAIN, WE WOULD REFER YOU TO OUR COUNTRY REPORT ON HUMAN RIGHTS.

Q: Did the U.S. Embassy issue her a visa?

-- WE UNDERSTAND FROM PRESS ACCOUNTS THAT MS. AL-KHALIFA DEPARTED BAHRAIN USING FALSIFIED DOCUMENTATION AND DID NOT PRESENT VALID IMMIGRATION DOCUMENTATION TO I.N.S. OFFICIALS IN CHICAGO.

Q: If her asylum request is denied, will she be sent back to Bahrain?

-- ACCORDING TO PRESS REPORTS, MS. AL-KHALIFA IS MARRIED TO U.S. CITIZEN.

-- MARRIAGE TO A U.S. CITIZEN IS ONE BASIS UPON WHICH AN INDIVIDUAL CAN SEEK IMMIGRATION STATUS IN THE UNITED STATES.

(FOR THE BRIEFER ONLY) Context: The USMC Lance Corporal Jason Johnson used fake military identification to sneak Shaikh Maryam al-Khalifa out of Bahrain, a violation of our Defense Cooperation Agreement with Bahrain for which the Marine has been punished. Soon after the couple departed, the Bahraini Royal Family learned of her disappearance, and demarched Amb. Young. Young sent a cable to INS-Chicago, the couple's expected port of entry, to convey the views expressed by the Bahraini government. The State Department later conveyed to INS-Chicago that this case should be handled like any other consistent with U.S. law and that Manama's cable did not reflect a national security interest in detaining the couple. When the couple appeared without valid immigration documentation, the Bahraini princess sought asylum. The woman was granted an asylum hearing at a later date and was paroled into the country pending her immigration hearing. The couple subsequently married in Las Vegas and can now seek immigration benefits for the woman based on either her marriage to an American citizen or her asylum request. You should be aware that immigration law strictly prohibits the release of ANY information on a pending asylum request to a third party without the consent of the Attorney General.

Drafted: NEA/P:GWSullivan

Cleared: NEA/ARP:AKeiswetter/Mscobey

SA PRESS GUIDANCE

July 19, 2000

PAKISTAN: QAZI HUSSAIN AHMAD

Q: What can you say about the meetings in the Department of Pakistani politician, Qazi Hussain Ahmad?

A: QAZI HUSSEIN AHMAD, THE LEADER OF THE JAMAAT-I-ISLAMI POLITICAL PARTY OF PAKISTAN, HAS BEEN VISITING THE UNITED STATES FOR THE PAST TWO WEEKS.

ON JULY 14 HE MET IN THE DEPARTMENT WITH ASSISTANT SECRETARY FOR SOUTH ASIAN AFFAIRS KARL INDERFURTH, ASSISTANT SECRETARY FOR DEMOCRACY, HUMAN RIGHTS AND LABOR HAROLD KOH, AND COORDINATOR FOR COUNTER TERRORISM, AMBASSADOR MICHAEL SHEEHAN.

HE DISCUSSED THE SITUATION IN PAKISTAN AND THE REGION WITH THE U.S. OFFICIALS, INCLUDING THE NEED TO RESTORE DEMOCRATIC, CIVILIAN RULE IN PAKISTAN, TO PROMOTE RELIGIOUS TOLERANCE, TO COMBAT HONOR KILLINGS, AND TO WORK TOGETHER AGAINST TERRORISM.

IT IS OUR PRACTICE TO MAINTAIN REGULAR COMMUNICATION WITH POLITICAL LEADERS IN PAKISTAN.

QAZI HUSSAIN AHMAD HAS BEEN A REGULAR CONTACT OF THE U.S. EMBASSY IN ISLAMABAD FOR OVER A DECADE.

WE LOOK FORWARD TO CONTINUING REGULAR CONSULTATIONS WITH HIM AND OTHER PAKISTANI POLITICAL LEADERS.

Background: Qazi Hussain Ahmad's party, the Jamaat-I-Islami, claims a conservative, "Islamic" ideology. However, it has consistently worked within the Pakistani parliamentary political system, does not have a military arm and has not advocated violent jihad to achieve its political goals.

Drafted: SA/RA:LScensny

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Cleared: SA:KFInderfurth
SA/PAB:CBlakeman
S/CT:CKierscht
DRL:Rmarshall
P:MFitzpatrick

WHA PRESS GUIDANCE
07/19/2000

VENEZUELA - GUYANA: U.S. COMMERCIAL LAUNCH PROJECT IN AREA CLAIMED BY VENEZUELA

Q: Facts and comment on Venezuelan Foreign Minister's complaints about the Beal Aerospace project in the part of Guyana claimed by Venezuela?

A:

-- THE BEAL AEROSPACE PROJECT IS A PROPOSED PRIVATE, COMMERCIAL SATELLITE LAUNCH VENTURE. IT WOULD NOT BE A U.S. BASE, AS IS SOMETIMES ASSERTED. THE USG WOULD NEED TO PROVIDE LICENSES FOR THE EXPORT OF SENSITIVE TECHNOLOGY BEFORE THIS PROJECT COULD GO FORWARD.

-- (IF ASKED ABOUT USG INVOLVEMENT IN THE PROJECT) THE BEAL PROJECT IS A PRIVATE VENTURE, NOT A USG ENDEAVOR. THE USG ROLE IS LIMITED TO DECIDING WHETHER TO APPROVE THE PROJECT, AND IF APPROVED, TO ENSURE AGAINST UNAUTHORIZED TECHNOLOGY TRANSFER. I CANNOT SPECULATE AS TO WHAT MEASURES THE USG MIGHT REQUIRE TO PROTECT AGAINST UNAUTHORIZED TECHNOLOGY TRANSFER, ASSUMING THE USG WERE TO APPROVE THE PROJECT.

-- (IF ASKED ABOUT STATUS OF US EXPORT LICENSES) WE DO NOT DISCUSS PUBLICLY THE STATUS OF INDIVIDUAL EXPORT LICENSE CASES.

-- (IF ASKED ABOUT GOV COMPLAINTS TO AMBASSADOR MAISTO ABOUT THE PROJECT) THE VENEZUELAN GOVERNMENT HAS INFORMED US OF ITS CONCERNS ABOUT U.S. COMPANIES INVESTING IN THE DISPUTED TERRITORY. IN OUR DISCUSSIONS WITH BEAL, WE HAVE CONFIRMED THE COMPANY IS AWARE THAT THE PROJECT IS LOCATED IN AN AREA CLAIMED BY VENEZUELA, AND THAT THE VENEZUELAN GOVERNMENT OPPOSES THE CONCESSION.

-- (IF ASKED U.S. POSITION ON TERRITORIAL DISPUTE) THE U.S. GOVERNMENT HAS A LONG-STANDING POLICY OF REFRAINING FROM COMMENTING ON THE MERITS OF TERRITORIAL AND BOUNDARY DISPUTES, SUCH AS THIS, BETWEEN THIRD STATES. WE DO ENCOURAGE GUYANA AND VENEZUELA, AS WE DO IN ALL SUCH DISPUTES, TO RESOLVE THIS MATTER IN A PEACEFUL WAY AND IN ACCORDANCE WITH APPLICABLE INTERNATIONAL LAW.

-- (IF ASKED STATUS OF TERRITORIAL DISPUTE) IN 1989, VENEZUELA AND GUYANA AGREED TO REFER THEIR BORDER DISPUTE TO THE UNITED NATIONS "GOOD OFFICER" PROCESS IN ORDER TO FIND A PEACEFUL SETTLEMENT OF THE CONTROVERSY. UNSG KOFI ANNAN RECENTLY APPOINTED OLIVER JACKMAN AS GOOD OFFICER IN THE BORDER DISPUTE, REPLACING SIR ALISTER MCINTYRE, WHO SERVED FOR EIGHT YEARS IN THE POSITION. WE UNDERSTAND THAT BOTH SIDES HAVE MET TOGETHER ANNUALLY WITH THE GOOD OFFICER IN AN EFFORT TO RESOLVE THE DISPUTE, WITHOUT PROGRESS BEING MADE.

Background

After a year of negotiation, an agreement was reached on May 19 between the

Government of Guyana and Texas company Beal Aerospace for construction of a rocket launch facility in northwestern Guyana. Beal hopes to launch its first rocket from Guyana within three years but first must settle difficult issues surrounding export of sensitive rocket technology. Guyana's position on the equator gives it a competitive advantage for launching geostationary satellites and low earth orbit satellites because of the savings in rocket fuel, but the country's current lack of missile technology controls makes issuance of a license controversial.

The Venezuelan Foreign Ministry has been public in its criticism of the concession within an area claimed by Venezuela. Venezuela's claim to the Essequibo, an area that represents 75 percent of the territory of Guyana is rooted in 19th century colonial history, and has been the subject of UN negotiations since 1989. Foreign Minister Rangel expressed his concerns about the Beal project to Ambassador Maisto on June 1, but pledged that the dispute will be settled peacefully. Rangel complained on July 17 about provisions in the company's contract with Guyana which mention possible presence of U.S. government security personnel at the launch facility.

Drafted: WHA/AND:Rmatthewman
7-18-00

searaand/andve00/press guidance/7-18 Beal project

Cleared:
WHA/AND: Mmeigs OK
WHA/CAR:Sotis OK
NP/CBM:VvanDiepen OK
PM/DTC:Wlowell OK
WHA:AKoss

AC PRESS GUIDANCE
July 19, 2000

READ OUT ON HOLUM REMARKS
TO WRITERS' DEFENSE GROUP PRESS BREAKFAST

Q1: Did Mr. Holum imply that China is right in saying that NMD is aimed at it?

A:

* THE U.S. NMD PROGRAM IS NOT DESIGNED TO THREATEN, OR UNDERMINE THE RUSSIAN OR CHINESE NUCLEAR DETERRENTS.

* THE GOAL OF THE NMD ARCHITECTURE IS TO COUNTER THE EMERGING THREATS FROM STATES OF CONCERN. WE DO NOT PUT CHINA IN THAT CATEGORY.

* WE WILL CONTINUE TO MEET WITH AND TALK TO CHINA IN ORDER TO MAKE CLEAR THAT NMD IS NOT INTENDED TO COUNTER CHINESE NUCLEAR FORCES.

CONTINGENCY POINTS:

* AS SENIOR ADVISOR HOLUM STATED, WE ARE SATISFIED WITH OUR CURRENT DETERRENT RELATIONSHIP WITH CHINA.

* HE FURTHER STATED NOTED THAT "THE FACT OF THE MATTER IS, WE'RE NOT BUILDING A CAPABILITY AGAINST CHINA.

Q2: Is it Administration policy that pouring concrete would not constitute a violation of the ABM Treaty?

A:

* WE HAVE NOT MADE A DETERMINATION AS TO WHEN WORK ON AN ABM RADAR IN ALASKA

WOULD VIOLATE THE ABM TREATY. [BASED ON CLEARED PRESS GUIDANCE, 6/15/00]

CONTINGENCY

* WE DO NOT BELIEVE, HOWEVER, THAT SITE PREPARATION SHORT OF POURING CONCRETE WOULD VIOLATE THE TREATY.

Q3. Have recent positive steps between North and South Korea changed our NMD policy?

A:

* WE WELCOME ANY POSITIVE DEVELOPMENTS ON THE KOREAN PENINSULA.

* WE APPRECIATE NORTH KOREA'S COMMITMENT TO ITS MISSILE MORATORIUM, BUT IT HAS DEMONSTRATED MISSILE CAPABILITY, AND SOME ASPECTS OF ITS MISSILE PROGRAM STILL CONTINUE.

* WE WILL HAVE TO CONTINUE TO WATCH AND MONITOR NORTH KOREA'S ACTIONS CLOSELY.

* HOPE THAT ONGOING MISSILE TALKS WILL LEAD TO A REAL END TO THE DPRK'S MISSILE PROGRAM. [NSC CLEARED GUIDANCE, 7/10/00]

CONTINGENCY:

* AS SENIOR ADVISOR HOLM MADE CLEAR, WE DO NOT FORESEE CHANGES IN CIRCUMSTANCES THAT WOULD IN THE SHORT TERM RESULT IN OUR CHANGING THE ORIENTATION OF OUR NMD POLICY.

Q4: Why doesn't the administration believe that North Korea or Iraq would be deterred by our thousands of offensive nuclear weapons? Why are they different?

A:

* THESE COUNTRIES ARE PURSUING WEAPONS OF MASS DESTRUCTION AND MISSILE CAPABILITIES WITH NO OBVIOUS RATIONALE SHORT OF INHIBITING OUR ABILITY TO PROTECT OUR ALLIANCE RELATIONSHIPS AND FRIENDS.

Q5: Is the administration's focus on mid-course, as opposed to boost-phase, interception misguided? Isn't boost-phase intercept more promising?

A:

* TO DEFER THE LIMITED MISSILE DEFENSE WE ARE NOW DEVELOPING IN FAVOR OF A BOOST-PHASE OPTION -- WHICH IS NOT NOW IN DEVELOPMENT -- WOULD SUBSTANTIALLY DELAY THE FIELDING OF A MISSILE DEFENSE SYSTEM NECESSARY TO PROTECT THE 50 STATES AGAINST THE EMERGING BALLISTIC MISSILE THREAT FROM STATES OF CONCERN.
[CLEARED
GUIDANCE, 5/17/00]

* OUR PROPOSED NMD IS THE FASTEST, MOST AFFORDABLE AND MOST TECHNOLOGICALLY MATURE APPROACH TO NMD. [NSC GUIDANCE, 4/17/00]

Q6: Are we concerned that North Korea could develop countermeasures to overwhelm our NMD system?

A:

* THE NMD ARCHITECTURE DESIGN DISCRIMINATION CAPABILITIES ARE ADEQUATE TO MEET

THE DEFINED THREAT.

* THERE IS INHERENT CAPABILITY IN THE NMD DESIGN TO BE ABLE TO HANDLE MORE SOPHISTICATED DECOYS.

* THE ON-GOING NMD TESTING PROGRAM INCLUDES INCREASING THE SOPHISTICATION OF DECOYS AND PENETRATION AIDS TO ENSURE THE SYSTEM CAN HANDLE THE THREAT WE PROJECT FOR THAT TIME.

CONTEXT: Mr. Holum spoke to defense reporters at a breakfast Tuesday, July 18, 2000. As a result of Mr. Holum's comments, these questions may be asked by some of the reporters.

Holum Remarks at Breakfast Meeting with Reporters
#99072 7/19/00

Drafted: AC/DS: KKartchner/ABaer

Approved: AC: LFischer (ok)

Cleared: AC/DS: ABaer (ok)
AC/PA: RWaters (ok)
INR: JMayhew/MGreenstein (ok)
D: TCynkin/BGilchrist (ok)
P: CAHart (ok)
EUR/PRA: AFriedt (ok)
T: MMallin (ok)
S/P: PPetrihos (ok)
L: MHoinkes (ok)
AC/ST: BGromoll/PAImquist

Clarification:

Regarding yesterday's report about a computer virus striking the State Departments' computers, we would like to issue an official clarification. The State Department was hit with the LifeStages worm. The worm was picked up, detected and removed by Trend Micro's InterScan VirusWall software on our sensitive but unclassified servers. An outside State Department server, "PDNet", used for reporters at the Summit had up-to-date virus protection on it. However, as stated earlier the InterScan server froze and the scan engine was not insync to properly handle the situation during this period. On Monday, the InterScan server was brought back into operation and the viruses were cleaned from the network, and the scan engine was then synchronized. We have always been and are still completely satisfied with the performance of InterScan VirusWall and Trend Micro's service and support in protecting our organization.

Reporter:

Ian Hopper (Associated Press)
202-776-9595

EB GUIDANCE

July 19, 2000

EX-IM AIDS INITIATIVE

Background: Export-Import Bank Chairman Harmon is holding a press conference today (July 19) to announce a new initiative to finance U.S. sales to sub-Saharan Africa of HIV/AIDS-related medicines, equipment and services. Today's New York Times and Wall Street Journal reported that under the initiative, ExIm will offer five-year financing for drug purchases to 24 eligible sub-Saharan nations and may offer a "small" number of loans at concessional (lower than commercial) interest rates. Network news stories indicated that the loans would be at 7% rates on

average.

(If asked) Q. What is the State Department's reaction to the AIDS Initiative announced today by Export-Import Bank Chairman Harmon? The New York Times says that the Administration is "split about the wisdom" of this program.

A. Combating the AIDS virus, in sub-Saharan Africa and elsewhere, is a high priority for the Administration. We are working on a number of initiatives and programs both bilaterally and multilaterally to help developing countries address the devastation of HIV/AIDs. It requires a multi-pronged approach to improve prevention efforts and to achieve effective, affordable treatments. We welcome this innovative proposal by the Export-Import Bank for a pilot program to explore in cooperation with other countries and the private sector the potential contribution of export credit finance to a concerted, coordinated attack on the global AIDs problem.

Seodf/ExIm AIDS Press Guidance
Draft:EB/IFD/ODF:Hrecinos
7/19/00 x 7-9453

Clear:E:Alarson - ok
EB:EAWayne - ok
EB/IFD/ODF:JPReid - ok
EB/IFD/OMA:Dnelson ok
G:DGraham - ok
OES/EID:Ncarter-Foster- ok
E:Apence - ok
NEC:Rsamans - ok
Treasury:Jlongbrake (subs)
NSC:Banderson (info)

DRL Press Guidance July 19, 2000

Third Annual Labor Officers Conference

Q: Is there a labor conference taking place in the Department and what is about?

A:

* The third annual conference of Labor Officers began today and will continue through tomorrow. It is being hosted by the State Department's Bureau of Democracy, Human Rights.

* The purpose of the conference is to bring together labor officers from our embassies, officials from the U.S. Department of Labor, the U.S. Treasury, the World Bank and representatives from unions, business organizations, and non-governmental organizations for panel discussions on key international labor issues.

* Today's session is taking place at the National Academy for the Sciences and is open to the public. Under Secretary Frank Loy gave the opening remarks. Tomorrow's session, which will be at the State Department, is not open to the public.

Context: About 40 U.S. labor attaches - from State and DoL - are meeting, along with representatives from Treasury, the World Bank, the AFL-CIO, the U.S. Council for International Business and various NGOs are meeting today and tomorrow for the third annual Labor Officers conference. AFL-CIO president Sweeney and Sen. Tom Harkin will address a reception for them tonight. Assistant Secretary Harold Koh will open tomorrow's session. Secretary Albright was invited to give the concluding remarks, but will not be able to do so.

Drafted: R Marshall DRL/SEA 7-0082

Clear: A Irons DRL/IL ok

E McWilliams DRL/IL (info)

A Hudock G (info)

Exchange Mail

DATE-TIME 07/26/2000 5:23:25 PM
FROM Bernard, Kenneth W. (HEALTH)
CLASSIFICATION UNCLASSIFIED
SUBJECT Press on ExIm [UNCLASSIFIED]
TO Gobush, Matthew N. (VP)

CARBON_COPY

TEXT_BODY Here it is. Not final cleared, but very close and all correct.
-Ken

TRANSLATED_ATTACHMENT

AIDS Qs PEACS EXIM.doc
INTERNATIONAL AIDS EPIDEMTIC
July 19, 2000

Background: The human toll of AIDS is staggering: 50 million people worldwide have been infected, and AIDS is now the leading cause of death in Africa. HIV/AIDS has begun to reverse recent advances in life expectancy and economic growth, while perpetuating the cycle of sickness and poverty in the hardest hit regions. We have been pushing for increased international resources to fight this epidemic for over a decade - with USAID alone spending over \$1.4 billion in the last 15 years in foreign assistance for AIDS. The U.S. continues to provide more bilateral assistance for AIDS than all other donors combined. In the last two years, the President has more than doubled our investment in international prevention and care programs. This year he is asking Congress for \$325 million for international AIDS programs. Plans for further increases for prevention, and especially for treatment and care are under discussion.

The Washington Post reports that turf battles within the administration have

delayed the appointment of a Presidential Envoy for AIDS Cooperation. Given the seriousness of the international epidemic, and the USG call for leadership why was this allowed to happen?

* First, we remain the international leader in generating global attention to this crisis and financing the battle against AIDS. This is why we put AIDS on the agenda of the UN Security Council in January, why it was a key topic during the U.S.-EU Summit, and why AIDS is a priority issue for the G-8 meeting in Okinawa. You might also note that the President has spoken frequently about AIDS in virtually every international forum he attends, from Davos to the Indian Parliament, to the EU Summit, and I can assure you, he will raise it in Okinawa. The President himself has taken on the major leadership role for the USG.

* The Presidential Envoy for AIDS proposal was considered earlier this year. Since then, State, Sandy Thurman's office and the NSC have been in ongoing discussions about a number of administrative and personnel details of the proposal. We hope to settle the issue soon - but if done, we want to do it correctly, with the right structure and the best person.

The Wall Street Journal and the New York Times both report that the Ex-Im Bank will offer \$1.0 billion in loans and guarantees to Sub-Saharan African countries to purchase HIV/AIDS drugs and services. Will this help?

* President Clinton takes the issue of accessibility to drugs for HIV/AIDS affected populations in Africa very seriously. On May 10, he signed an Executive Order to reduce trade barriers and make HIV/AIDS related drugs more affordable and accessible in Sub-Saharan African countries. The Administration welcomes the new initiatives by pharmaceutical manufacturers to deeply discount prices of anti-retroviral drugs for developing countries. And the US-

sponsored
Cologne Debt Initiative specifically makes resources freed from debt obligations
in HIPC countries available for health, especially AIDS prevention and treatment.

* The Ex-Im announcement, expected today, is another positive step in increasing
access and availability of HIV/AIDS medicines and services in Africa. ExIm's
initiative represents the kind of innovative proposals that are needed to make a
real difference - especially when taken together with the President's call for
increased bilateral assistance for AIDS, and increased World Bank, foundation,
and private sector resources devoted to care and treatment.

We understand that the Administration was skeptical of the proposal and tried to
block the announcement. Is this true?

* No. This is a new proposal from Ex-Im, and we, along with State, Treasury and
others, support efforts to make needed drugs more accessible to Africa. However,
the issues involved in creating innovative financing packages to make drugs and
services more accessible and affordable in developing countries are complex and
require careful consideration. We support the Ex-Im Bank's efforts within the
context of its pilot program to explore new approaches that might be effective in
this regard. We will closely monitor the progress of the initial pilot program
and continue to work with developing countries in expanding the range of our
cooperation on AIDS prevention and treatment efforts, guided by developing
countries themselves on this issue.

Exchange Mail

DATE-TIME 08/22/2000 9:50:43 AM
FROM Dempsey, Nora B. (AF)
CLASSIFICATION UNCLASSIFIED
SUBJECT RE: August 22 Guidance [UNCLASSIFIED]
TO Bernard, Kenneth W. (HEALTH)
Efros, Laura L. (OSTP)
Smith, Gayle E. (AF)

CARBON_COPY Battenfield, Pat A. (AF)
Byrne, Catherine E. (AF)
Cooper, Colby J. (MULTILAT)
Dempsey, Nora B. (AF)
Harris, Grant T. (AF)
ODonohue, Peter A. (AF)
Smith, Gayle E. (AF)
Tabak, Lauren B. (AF/INTERN)

TEXT_BODY Ken,
When you and Laura and Rick S. and Gloria settle on the right language, go ahead and shoot to @press.
We in @africa have great confidence in your collective judgement.

-----Original Message-----

From: Bernard,
Kenneth W. (HEALTH)
Sent: Tuesday, August 22, 2000 9:12 AM
To: Efros,
Laura L. (OSTP); Smith, Gayle E. (AF)
Cc: @AFRICA - African Affairs
Subject: FW:
August 22 Guidance [UNCLASSIFIED]

See attached for changes/comments.
As usual, Gayle, you made all our lives easier. No knowledge, other than the Nigerian hospital equipment bit, on anyone taking up the offer, but I have heard rumors. I'll call Gloria at Exim.

<< File: AIDS Qs aug 22.doc >>

-----Original Message-----

From: Smith,
Gayle E. (AF)
Sent: Tuesday, August 22, 2000 8:13 AM
To: Samans,
Richard (INTECON); Bernard, Kenneth W. (HEALTH); Efros, Laura L.
(OSTP); Dempsey, Nora B. (AF)
Cc: @PRESS - Public Affairs; @RUDMAN
Subject: FW:
August 22 Guidance [UNCLASSIFIED]
Importance: High

Well we all
knew this question would come. My recommendation would be:

The
ExIm initiative is not intended to fully resolve the problem of drug
affordability in Africa, but to provide another vehicle for African
governments to secure medicines and medical equipment that is urgently
needed, now, to address the HIV/AIDS crisis. As a pilot initiative,
it is available to African governments. If, however, they determine
that drug costs remain too high, they will not use the funding that
has been made available.

QUESTION - ExIm claims that some governments
are interested. Can we check?

I defer to all of you to finalize
this and get it back to Press.

-----Original Message-----

From: Stockwell,
David B. (PRESS)
Sent: Tuesday, August 22, 2000 7:52 AM
To: @HEALTH
- International Health Affairs; @AFRICA - African Affairs; @MULTILAT
- Multilateral and Humanitarian Affairs; @DEFENSE - Defense Policy;
@SEE - Southeast European Affairs; @RUSSIA - Russia/Ukraine; @ASIA
- Asian Affairs; @NESASIA - NE/South Asia
Cc: @TRANSNATIONAL - Transnational
Threats; @PRESS - Public Affairs; @NSCComm
Subject: August 22 Guidance
[UNCLASSIFIED]

PJ and Jake Siewert are briefing the press today
-- need guidance ASAP:

@HEALTH/@AFRICA: Africa countries are rejecting
the US offer of \$1B in loans to finance the purchase of anti-AIDS
drugs, instead calling for affordable drugs, not loans that would
burden their struggling economies. How do you respond?

@MULTI/@ASIA/@DEFENSE:

Do we still have US troops supporting the peacekeeping effort in East Timor? If so, provide details. If not, when did we stop? And how concerned are we over the reports of militias infiltrating back into East Timor? Also, what steps have we taken to restore mil-to-mil contact with Indonesia?

@DEFENSE: Remind us what the pay raise is for FY 2001 (and how much it costs) and describe what the \$112B over-five-years-plus-up includes.

@SEE/@DEFENSE: What are we prepared to do to defend Montenegro?

@NESA: Reminders on red lines for Iraq?

@RUSSIA/@DEFENSE (info @TRANS): Has President Clinton made a statement regarding the tragedy involving the Russian submarine Kursk? If so, through what means and what did it say? Also, will the US assist in what appears to be an international nuclear clean-up/recovery of the Kursk? Also, do we have concerns over how the Russians handled the Kursk incident given the initial secrecy and reluctance to ask for foreign assistance? If they would have asked for help earlier, would lives have been saved?

Exchange Mail

DATE-TIME 08/22/2000 10:25:37 AM
FROM Bernard, Kenneth W. (HEALTH)
CLASSIFICATION UNCLASSIFIED
SUBJECT FW: EX-IM [UNCLASSIFIED]
TO Gray, Wendy E. (NSA)
Rudman, Mara E. (NSA)

CARBON_COPY

TEXT_BODY -----Original Message-----
From: Bernard, Kenneth W. (HEALTH)
Sent: Tuesday,
August 22, 2000 10:23 AM
To: @AFRICA - African Affairs; @HEALTH
- International Health Affairs; @PRESS - Public Affairs
Cc: @INTECON
- Economic Affairs
Subject: EX-IM [UNCLASSIFIED]
Importance: High

ExIm
just said that there have been, as yet, no specific requests for
loan guarantees for AIDS drugs from any country.

Rick Samans.
I had to go to a meeting at 10:30, so send any corrections to @press.
--Thanks.

TRANSLATED_ATTACHMENT

AIDS Qs aug 22.doc
INTERNATIONAL AIDS EPIDEMTIC
August 22, 2000

Background: The human toll of AIDS is staggering: 50 million people
worldwide
have been infected, and AIDS is now the leading cause of death in
Africa.
HIV/AIDS has begun to reverse recent advances in life expectancy
and economic
growth, while perpetuating the cycle of sickness and poverty in the
hardest hit
regions. We have been pushing for increased international resources

to fight
this epidemic for over a decade - with USAID alone spending over
\$1.4 billion in
the last 15 years in foreign assistance for AIDS. The U.S. continues to
provide
more bilateral assistance for AIDS than all other donors combined. In
the
last two years, the President has more than doubled our investment in
international prevention and care programs. This year he is asking
Congress for
\$325 million for international AIDS programs. The President just
signed the
bill, "Global AIDS and Tuberculosis Relief Act of 2000," a bipartisan
authorization for more money to fight international AIDS. Plans for
further
increases for prevention, and especially for treatment and care are
under
discussion.

We understand that the recent offering of \$1.0 billion by the ExIm
Bank to
finance the purchase of AIDS drugs has been rejected by African
governments.
They instead are calling for affordable drugs, not loans that would
burden their
struggling economies. How do you respond?

* The ExIm initiative is not intended to fully resolve the problem of
drug
affordability in Africa, but to provide another vehicle for African
governments
to secure medicines and medical equipment that is urgently needed,
now, to
address the HIV/AIDS crisis. As a pilot initiative, it is available to
African
governments. If, however, they determine that drug costs remain too
high, they
will not use the funding that has been made available.

* President Clinton takes the issue of accessibility to drugs for
HIV/AIDS
affected populations in Africa very seriously. On May 10, he signed
an
Executive Order to reduce trade barriers and make HIV/AIDS related
drugs more
affordable and accessible in Sub-Saharan African countries. The
Administration
welcomes the new initiatives by pharmaceutical manufacturers to
deeply discount
prices of anti-retroviral drugs for developing countries. And the US-

sponsored
Cologne Debt Initiative specifically makes resources freed from debt obligations
in HIPC countries available for health, especially AIDS prevention and treatment.

* We will closely monitor the progress of the ExIm pilot program and continue to
work with developing countries in expanding the range of our cooperation on AIDS
prevention and treatment efforts, guided by developing countries themselves on
this issue.

Exchange Mail

DATE-TIME 08/26/2000 11:22:11 AM
FROM Efros, Laura L. (OSTP)
CLASSIFICATION UNCLASSIFIED
SUBJECT revised press guidance for ExIm - draft [UNCLASSIFIED]
TO Samans, Richard (INTECON)

CARBON_COPY Efros, Laura L. (OSTP)

TEXT_BODY
It's the same file name as the previous version (my screw-up)
but now addressed the additional points you raised.

TRANSLATED_ATTACHMENT AIDS Qs aug 22.doc
INTERNATIONAL AIDS EPIDEMTIC
August 22, 2000

Background: The human toll of AIDS is staggering: 50 million people worldwide have been infected, and AIDS is now the leading cause of death in Africa. HIV/AIDS has begun to reverse recent advances in life expectancy and economic growth, while perpetuating the cycle of sickness and poverty in the hardest hit regions. We have been pushing for increased international resources to fight this epidemic for over a decade - with USAID alone spending over \$1.4 billion in the last 15 years in foreign assistance for AIDS. The U.S. continues to provide more bilateral assistance for AIDS than all other donors combined. In the last two years, the President has more than doubled our investment in international prevention and care programs. This year he is asking Congress for \$325 million for international AIDS programs. The President just signed the bill, "Global AIDS and Tuberculosis Relief Act of 2000," a bipartisan authorization for more money to fight international AIDS. Plans for further increases for prevention, and especially for treatment and care are under

discussion.

We understand that the recent offering of \$1.0 billion by the ExIm Bank to finance the purchase of AIDS drugs has been rejected by African governments. They instead are calling for affordable drugs, not loans that would burden their struggling economies. How do you respond?

* The ExIm initiative is a pilot program, and will be considered on a country-by-country basis. ExIm's intention is to explore whether it could assist countries' efforts to fight the AIDS crisis by providing additional financing options for medical infrastructure or pharmaceuticals. It is not intended to be a comprehensive approach to the problem of drug accessibility in Africa.

* President Clinton has taken a number of important steps to address drug accessibility, including his May 10 Executive Order to reduce trade barriers and make HIV/AIDS related drugs more affordable and accessible in Sub-Saharan African countries. The Administration also welcomes the new initiatives by pharmaceutical manufacturers to deeply discount prices of anti-retroviral drugs for developing countries.

* These steps complement the many USG initiatives to provide AIDS prevention and care, and strengthen health infrastructure in Africa. In the last two years, the President has more than doubled our investment in international AIDS prevention and care programs, and this year he is asking Congress for an increase of \$100 million to a level of \$325 million. Earlier this year, he launched an initiative to speed the development of vaccines for AIDS, malaria, and TB.

* The U.S. and all concerned countries should be doing more - much more. That's why last month the President went to the G-8 to mobilize billions for AIDS and other infectious disease programs, and last week, he signed the Global AIDS and Tuberculosis Relief Act of 2000.

* But bear in mind that two things are necessary to fight and win the war against AIDS. One is resources. But the other, and equally important weapon is leadership. Leaders throughout the world need to make the fight against AIDS a priority, now, and do all they can to alert and educate their people now. We will fight the fight to get more resources, but all the money in the world will not wipe out this epidemic unless we have the leadership we need.

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Exchange Mail

DATE-TIME 08/27/2000 6:00:06 AM

FROM Efros, Laura L. (OSTP)

CLASSIFICATION UNCLASSIFIED

SUBJECT AIDS press guidance [UNCLASSIFIED]

TO Anderson, Brooke D. (NSCCOMM)
Crowley, Philip J. (PRESS)

CARBON_COPY Samans, Richard (INTECON)
Efros, Laura L. (OSTP)

TEXT_BODY Revised press guidance on AIDS/Exim and Nigerian AIDS cure (not!)

TRANSLATED_ATTACHMENT AIDS Qs aug 27_.doc
INTERNATIONAL AIDS EPIDEMIC
August 27, 2000

Background: The human toll of AIDS is staggering: 50 million people worldwide have been infected, and AIDS is now the leading cause of death in Africa. HIV/AIDS has begun to reverse recent advances in life expectancy and economic growth, while perpetuating the cycle of sickness and poverty in the hardest hit regions. We have been pushing for increased international resources to fight this epidemic for over a decade - with USAID alone spending over \$1.4 billion in the last 15 years in foreign assistance for AIDS. The U.S. continues to provide more bilateral assistance for AIDS than all other donors combined. In the last two years, the President has more than doubled our investment in international prevention and care programs. This year he is asking Congress for \$325 million for international AIDS programs. The President just signed the bill, "Global AIDS and Tuberculosis Relief Act of 2000," a bipartisan authorization for more money to fight international AIDS. Plans for further increases for prevention, and especially for treatment and care are

under
discussion.

A number of Nigerian doctors, pharmacists and spiritualists claim to have found cures for AIDS, including an assertion by a doctor to have cured 30 members of the Nigerian military. The Nigerian Academy of Sciences and the Nigerian representative to UNAIDS discounted these claims, which do not hold up to scientific scrutiny. The Nigerian government recently banned the use of unproven drugs and vaccines until proper scientific trials are conducted - a position the international AIDS and scientific community supports strongly.

We understand that the recent offering of \$1.0 billion by the ExIm Bank to finance the purchase of AIDS drugs has been rejected by African governments. They instead are calling for affordable drugs, not loans that would burden their struggling economies. How do you respond?

* The ExIm initiative is a pilot program, and will be considered on a country-by-country basis. ExIm's intention is to explore whether it could assist countries' efforts to fight the AIDS crisis by providing additional financing options for medical infrastructure or pharmaceuticals. It is not intended to be a comprehensive approach to the problem of drug accessibility in Africa.

* President Clinton has taken a number of important steps to address drug accessibility, including his May 10 Executive Order to reduce trade barriers and make HIV/AIDS related drugs more affordable and accessible in Sub-Saharan African countries. The Administration also welcomes the new initiatives by pharmaceutical manufacturers to deeply discount prices of anti-retroviral drugs for developing countries.

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* But bear in mind that two things are necessary to fight and win the war against AIDS. One is resources. But the other, and equally important weapon is leadership. Leaders throughout the world need to make the fight against AIDS a priority, now, and do all they can to alert and educate their people now. We will fight the fight to get more resources, but all the money in the world will not wipe out this epidemic unless we have the leadership we need.

A Nigerian doctor claims to have found the cure for AIDS, yet the Nigerian government has banned the use of this treatment. Do you support this position?

* Yes, we applaud the Nigerian government for ensuring that any proposed drugs or vaccines for this terrible disease are subject to scientific scrutiny, in accordance with internationally recognized standards. We support Nigeria's efforts to find a scientific solution to AIDS, but recognize that the key to addressing the disease is prevention and education.