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MONDAY, DECEMBER 23, 1996, 12:44 P.M.
(ON THE RECORD UNLESS OTHERWISE NOTED)

MR. DAVIES: Welcome to the State Department briefing. I've got three announcements. Two, I will point you to, not read, because they're rather lengthy; and one short one, I will read.

The first is on the establishment of the Middle East Desalination Research Center. On December 22, the U.S. joined with Oman, Israel, Japan, and the Republic of Korea in signing an international agreement to establish the Middle East Desalination Research Center.

The Center will focus on a range of research and training activities to help experts in the region to better utilize desalination and related technologies. There's more on that in the Press Office.

Second, in our continuing award-winning series, "This Day in Diplomacy," to let you know about the publication of the earliest records of U.S. diplomacy. After a 10-year effort, the National Historical Publications and Records Commission is publishing the completed three-volume edition of the earliest official records of U.S. foreign policy and diplomacy. The three volumes are entitled The Emerging Nation: A Documentary History of the Foreign Relations of the United States Under the Articles of Confederation. That took 10 years to do. I commend that to you if you have that kind of historical interest.

Finally, on Peru: I will read a brief statement here. This is a statement on the partial release of hostages. "The United States welcomes the release of 225 hostages by the Tupac Amaru terrorists in Lima, Peru last night. The U.S. is especially pleased to welcome the release of seven American citizens who were among the group permitted to leave the Japanese Ambassador's residence.

"Our sense of relief on their release is tempered by the fact that over 100 individuals continue to be held. We reiterate our call for the immediate release of all remaining hostages and our support for the Peruvian Government's efforts to resolve this crisis peacefully."

With that, your questions, if there are any.

Q There was a report over the weekend in Indian newspapers about the hostages in Kashmir. Do you have anything on that?

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MR. DAVIES: This is a report that I think is a reiteration of reports we've seen in the past. This goes all the way back to last spring when a captured member of the al-Faran Kashmiri militant organization alleged that the four Westerners who had been held hostage since July 1995 had been killed.

Based on the information that was provided, Indian security forces conducted an intensive search of the area where the killings reportedly occurred. They were unable to uncover any evidence to confirm or disprove this report.

Then, the next development was in late November. The United States announced a reward program seeking information on the whereabouts of the hostages. The Indian authorities in Kashmir have also announced a reward program.

We continue, as a government, to operate on the assumption that the hostages are alive, although we've unfortunately not been able to confirm this for some time. We continue to call on anyone with information on the whereabouts of the hostages to contact the U.S. Government immediately.

Q When will these seven Americans finally hit American soil?

MR. DAVIES: That's up to them, I think, individually. I spoke about 45 minutes ago with Ambassador Dennis Jeff who has been on the scene at the Embassy working tirelessly to help in this situation. He told me that he was at the hospital last night, sometime after 10:00 p.m., when the hostages were dropped off; that he greeted each of them as they came off of one of those buses; that they all appeared to be in reasonably good spirits and reasonably good health. He packed them all off home to their families and then asked, if they could, if they could come into the Embassy today. I think most or all have done that in order to begin the process of discussing what has gone on, to share some of the information they've picked up.

They are also, I think, right now 4 or in the last couple of minutes 4 they've had an opportunity to talk to the Acting Secretary of State, Peter Tarnoff, who congratulated them all on their release.

Q So does this mean the Americans 4 at least, the Americans' point of view, since now that our Americans are out of harm's way, that any type of crack force, military force, that would go in, that might subside now?

MR. DAVIES: We've not made any comment at all on any contingencies here. In the first instance, this terrible situation is a situation being dealt with by the Government of Peru. They're doing it, we think, quite well.

Secondly, last week there were questions asked about reports of crack military units standing by to go down there. We're obviously not going to comment on any contingencies, real or imagined, here. The fact that the Americans 4 that these Americans have come out and are no longer being held, we've welcomed as a positive move, but it doesn't end this matter by any means. It certainly doesn't end it for the United States of America. We are going to remain very interested in what goes on. We'll continue to work with the Government of Peru as it continues to deal with this crisis, and we're going to continue not to comment on contingencies.

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Q Glyn, are there any other Americans still being held in there?

MR. DAVIES: The other thing we're going to continue is, we will not talk specifically about the nationality of those being held. We're not going to get into discussions of whether or not Americans are in the Embassy. There are still over 100 people who are being held in difficult conditions by Tupac Amaru. We think it best if we, the United States, stay out of directly commenting on those who are still there except to call for their immediate release, as we've done.

Q Are the seven going to be allowed to talk to the news media?

MR. DAVIES: We'll have to work that out, I think, in the hours and days that come. This has just happened. They just had their first night's sleep on a soft surface, I imagine, in some days. We have a little bit of work to do with them, to talk to them first, before we get into making decisions about whether or not we will make them available to the press. I don't have an immediate answer for you on that. We'll see what can possibly be done in the future, but first things first. First, we have to do what we can to help them recover and help the Peruvian Government deal with this crisis.

Q Does that mean not today?

MR. DAVIES: We'll simply have to see. I don't see anything happening today.

Q Were all seven of these employees of the U.S. Government?

MR. DAVIES: No. You've seen the names, I think, of these individuals in the press. Two of them were high-ranking officials at our Embassy: our Political Counselor and our Economic Counselor. One of them was the Director of the Narcotics Assistance Section at the Embassy. Then there were a number of Agency for International Development officials 4 the Deputy Director of their office in Lima; two of the officers from the USAID office down there; a contractor with USAID. In addition to that, a Peruvian employee of USAID in Lima was also released. So we're obviously grateful to see them all free. It only redoubles our resolve to see this through with the Peruvian Government.

Q Can you tell us what was discussed between Secretary Christopher and Japanese Foreign Minister Ikeda on the phone today?

MR. DAVIES: I can only confirm that they had a conversation. Secretary Christopher, as you know, is in California taking a couple of weeks off. He did have a conversation with the Foreign Minister. I don't have a readout of that conversation to share with you. I imagine they clearly spent much of their conversation, if not all of it, talking about this situation.

Q Can you tell us, the group that is concerning itself with security for the American Embassy down there and the security of Americans, have they taken any steps to improve security? Have they made any recommendations of a general nature to Americans down there that would change?

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MR. DAVIES: Their job, David, is to help Ambassador Dennis Jett deal with this situation. We have 10,000 Americans in Peru for whom we are somewhat responsible. So they're there helping this Embassy go to a 24-hour operation which has been the case since this began, helping Ambassador Jett deal with questions related to the security of the 10,000 Americans.

As to specific recommendations or actions, it's probably the last thing we would discuss in public. You know of the revised consular information sheet that we released last week that informed Americans about this hostage-taking incident and then gave them the specific part of Lima, the specific area to avoid & the area in which the Ambassador's residence is located. But I'm not going to get into a discussion of other activities.

Q Any contact with the Peruvian Government, and any requests for the Peruvian Government for any kind of help?

MR. DAVIES: We're constantly in touch with the Peruvian Government in discussing the security of Americans down there and in offering any assistance they care to call on from us in dealing with this. But, again, that falls in the category of security measures taken or considered or under consideration, and it's not in our interest to get into specifics about the security measures that are being taken.

Q But you did say before that you were offering to help & offer certain capabilities to the Peruvian Government, were they to wish them, and that they had not yet asked for them. I'm asking you now, have they asked for them?

MR. DAVIES: No, I don't have anything to report to you on that.

Q What's your take on the terrorists' reason for releasing?

MR. DAVIES: It's difficult to get into the minds of others, and I wouldn't even try to get into the minds of the Tupac Amaru terrorists. They described it as a Christmas gesture. If so, all it does is point up the fact that there are over 100 people still there who are being held by these hostage-takers and whose situation is very, very difficult. The United States stands with the Government of Peru in its handling of this crisis, and the President in fact today in a statement expressed thanks to President Fujimori and his government for their fine handling of this situation so far.

Yes, Mr. Lambros.

Q Since Turkey and Iran signed, finally, the so long advertised agreement of economic cooperation, I'm wondering if you have any comment on that?

MR. DAVIES: This was an agreement that was reached at the end of, I believe, the Rafsanjani visit & right - to Ankara. Rafsanjani was in Turkey from the 19th through the 21st. We understand that protocols on several economic and environmental matters were signed during the visit. Obviously, the governments themselves can provide details about those agreements. We remain concerned, and Nick Burns expressed this concern last week, by all efforts to intensify cooperative relations with Iran until Tehran reforms its unacceptable international policies. You're familiar with our bill of particulars against Iran, which includes support for terrorism, opposition to the peace process, and pursuit of weapons of mass destruction.

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The Turkish Government knows well our concerns. We communicate them to them frequently, and we will maintain an active dialogue with the Government of Turkey. As regards the specific agreements that were reached, I would refer you to those two governments which can give you details about this.

Q In spite of that, the Turkish Government knows your concern, still proceeds, so I would like you to comment, how do you see this action?

MR. DAVIES: We've described this action as an action that we do not support 4 an action that concerns us 4 and I've been through that: why any kind of efforts to intensify a cooperative relationship with Iran concern us rather seriously. That's why we said what we said last week and why we're repeating it again today.

Q Glyn, is there an attempt in this Department to view this agreement from the point of view of the D'Amato bill?

MR. DAVIES: We view this agreement or this set of agreements that I've just outlined. In terms of the D'Amato bill, the law is the law, and we enforce it. But we're not viewing it from any particular angle other than from the general angle of the interests of the United States of America, which in that part of the world include not making nice with, doing business with, Iran.

Q But there is no focused assessment yet in terms of specific laws, is that what you're saying?

MR. DAVIES: No focused assessment? There are those charged with weighing developments as they occur against the law and then enforcing from our standpoint provisions of the law, but I don't have anything beyond the general statement that I've made to you today.

Q The New York Times reported today that the U.S. Embassy in Mexico received first reports on Raul Salinas' alleged link to drug trafficking as early as July of '93. Can you confirm that, and can you also tell us whether the report today in The New York Times that the U.S. Embassy never requested an investigation or the Clinton Administration voice any concerns to the Mexican Government about the alleged link of Raul Salinas to drug trafficking?

MR. DAVIES: What we know about this case, of course, is that Mr. Raul Salinas faces a variety of charges in Mexico, and because of that, it's inappropriate to comment on specific matters that could involve proceedings in Mexican courts. In general, the matters that, or the events that, Mr. Calderoni described occurred years ago 4 some years ago 4 while he held an official position under the previous administration in Mexico.

We believe that serious allegations of drug-related corruption should be the subject of investigation, and, if it's appropriate, of remedial action. We also believe that President Zedillo has acted strongly against drug corruption. He's made major inroads into the problem, and we have with Mexico a process of discussing these matters. In fact, senior U.S. officials met with Mexican counterparts as recently as early December in the high-level contact group on drugs to further develop our cooperation bilaterally on all aspects of this problem.

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What I can't do 4 and what we never do 4 is get into specific communications between our Embassies in the field and the State Department, and part of, I think, that report in the press had to do with the substance of messages coming to the State Department from our Embassy in Mexico, and we simply would never get into that.

Q I have a follow-up. Also, the same report says that Luis Medrano, who used to be one of the top lieutenants to the Gulf cartel organization led by Juan Garcia Abrego, now arrested or in jail here in the United States, was the contact person with Raul Salinas. He apparently was the man who paid Raul Salinas some money for some political favors. It seems then that man died in August of '96 in jail. He was arrested and interrogated. Did the U.S. Department or any other U.S. agency have access to the testimony or the interrogation of that man?

MR. DAVIES: I simply don't have anything for you on that. Sorry.

Q Did anybody ask a question about North Korea?

MR. DAVIES: No, nobody asked a question on North Korea.

Q The same question. Did the U.S. resume the meeting with North Korea today?

MR. DAVIES: There was another meeting on Saturday with Mr. Li Hyong Chol of the North Korean Foreign Ministry. The meeting was useful, as have been the other meetings held with him up in New York. I don't have anything on further meetings occurring today.

(To staff) John (Dinger), do we know of 4

MR. DINGER: (Inaudible)

MR. DAVIES: We normally don't announce these meetings ahead of time, and, if there is a meeting to occur today, we could perhaps fill you in on it later in the day, but I don't know of any meetings today.

Q He is still staying in New York 4 Mr. Li is staying in New York.

MR. DAVIES: You would have to ask Mr. Li. He'll do what he views as in his interests. I don't know what his plans are.

Q Just for background 4 not on background 4 but what are they talking about?

MR. DAVIES: They're talking about the range of issues that are on the bilateral agenda between the United States and North Korea 4 issues like the Agreed Framework and the KEDO process; issues like the Four-Party Talks proposal; all of the issues with which you're perfectly familiar that are on the agenda between our two countries.

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Q Ambassador Li's willingness to discuss the Four-Party talks issue been more 4 is it a good sign? The North Koreans haven't been willing to talk about this over the past several months since 4 basically since April when the idea was floated.

MR. DAVIES: They might not have been willing to talk about it in public, but in our private discussions, clearly it's something we raise. What I don't want to do is characterize his reaction to it or the North Korean Government's reaction to it. That's for them to describe or to characterize. But it's a proposal that we continue to raise with them.

Q Glyn, the submarine issue 4 would you expect some deal with North Korea before Christmas or 4

MR. DAVIES: We expect, and we've expressed this, before that North Korea will make a gesture to South Korea in the wake of the submarine incident, which was clearly a negative move by the North Koreans 4 very provocative action that they took. But I don't have any announcements for you, and I would direct you to the North Koreans on that

Q The other day I asked Nicholas Burns to comment on information that your government is ready to announce its initiative for the solution to the Turkish claims against Greece in Cyprus in the first days of January, and he promised to check into that for me. I'm wondering if you have anything on that today.

MR. DAVIES: Not today, Mr. Lambros. Nothing yet today.

Q When? Do you have any idea when?

MR. DAVIES: We'll work on it as hard we possibly can 4 as hard as it merits, and we'll see if we can get you something.

Anything else? Yes, Bill.

Q Yes, sorry to be late, and, if this has been touched on, I beg your pardon. The various Marxist guerrilla groups in Central America, Mexico, have had good luck kidnapping Japanese executives for ransom, and I understand - do I understand correctly that this is part of what's happening now in Lima; that there's a ransom being asked for these Japanese businessmen? If that is correct, then I would ask: what is the U.S. policy, and what are we saying to the Japanese about stopping this trend of paying ransoms?

MR. DAVIES: We've expressed ourselves on the question of in essence ransoms or meeting the demands of terrorists in this particular case, in this hostage-taking incident in Lima, in that context as well, and we've talked about the importance of, obviously, opening up a dialogue with hostage-takers. But we've also expressed very strongly the U.S. view that it is our position not to give in to demands of hostage-takers. That is our view. That is the view that we communicate to other governments in such situations.

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I don't have anything more specific to report to you about our dialogue with the Japanese on how they are dealing with such hostage-takings and demands for ransom. They know our position. The whole world knows our position and how strongly we believe in it. But, obviously, the question of terrorism and combatting terrorism is a question that is raised increasingly in international meetings, and it is an issue that is very much on the agenda with those nations who are affected by what is occurring now in Lima, and Japan is first among them.

Q And does not this government believe that the success of hostage-taking, to receive some gain for it, will encourage further hostage-taking?

MR. DAVIES: We don't believe in meeting the demands of terrorists. We think that terrorist acts should be condemned. We condemn them when they occur. In the case of the hostage-taking that's underway now in Lima, we call on the Tupac Amaru terrorist group to immediately and unconditionally release all of those that are being held in the Japanese Ambassador's residence, and we're crystal clear on that point.

Q A few more questions. You had a working group upstairs, I believe, on this 4

MR. DAVIES: A task force. That's right.

Q A task force.

MR. DAVIES: Right.

Q Will that task force continue to work now or not?

MR. DAVIES: David, it's still up and running. I don't know what their future plans are with the holidays coming up. It is possible with the State Department Operations Center and its 24-hour-a-day operation very closely to follow such events as they occur without necessarily keeping a group of specialists in the building 24 hours a day. That said, I don't know the specific plans for the Lima hostage-taking group that is now upstairs 4 the task force that is now upstairs and very hard at work. In fact, I was just up there about an hour ago.

Q Would you take that question?

MR. DAVIES: I can look into whether they'll stay up and running or close down.

Q I have another question on Lima. What can you tell us 4 does the U.S. have an analysis of the Tupac Amaru demands and the relative strength of that group at this point in Peru?

MR. DAVIES: We spoke a bit about Tupac Amaru last week 4 talked about their origins, talked about their relative strength. I think we indicated that at its height 4 and this is according to some of the work that's been done for our Annual Report on Terrorism 4 it was a group that perhaps had 1,000 or so adherents; that actions taken by the Government of Peru in recent years have been effective in reducing the membership of Tupac Amaru, and that we understood that they were down to something in the couple-of-hundred range.

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But all of these, obviously, are kind of informed guesses. Much of this information is available from our Annual Terrorism Report. Clearly, it's a group that's capable of some spectacular stunts, such as this hostage-taking that's underway right now.

Q Can the State Department say it was a security lapse that allowed these members to get into the Embassy?

MR. DAVIES: I think it's up to the Government of Peru and the Government of Japan to work out any lessons learned from this, and I think that their focus initially should be and is on the hostage-taking itself and on trying to resolve it as quickly and as safely as possible. But I leave it to them to define whether there could have been different procedures followed, different measures taken. We have our own very strong security precautions that we take at our Embassies overseas, and we continually review them and strengthen them. I assume that both the Government of Peru and the Government of Japan do the same.

Q Have U.S. security measures been changed in any way in the wake of this incident?

MR. DAVIES: We, as I say, continuously review the security measures that we have in place at our Embassies abroad; and, as you might imagine, this incident has led to a redoubling of that review at our missions especially in that part of the world but in fact all over the world. That's always the case when there is an incident like this that's directed at a diplomatic establishment, because, as Americans know, American diplomatic establishments are often the target of terrorists. So we take every precaution that we can.

Q So without specifying what they are, there are some beefing-up measures being taken in Embassies in the area or 4

MR. DAVIES: The answer to that is absolutely.

Q On the same question of security, there were reports that the U.S. Government had requested Mexican Government permission for DEA agents in Mexico to carry guns. Can you confirm that report, and apparently there was already an answer to that request that I believe was given to General McCaffrey during this meeting in December 9th-10th in Mexico?

MR. DAVIES: That sounds like the kind of detailed question, how our agents operate or don't operate in Mexico, that is probably better directed to the DEA or to the ONDCP.

Q DEA told me to ask at the State Department. They did confirm that there was a request for carrying arms, but that the State Department was in charge of that request, and that you'd know the answer to the request.

MR. DAVIES: I don't have an answer for you.

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Q Will you take that question?

MR. DAVIES: I don't think I will because I'm not certain we want to talk about whether our agents in other countries are armed or not. I think that's a question that goes directly to their security. It's best, I think, not to discuss whether they're packing iron or not.

Q (Inaudible) DEA agents who are in Mexico are published. It's a published knowledge what they're supposed to do and not supposed to do and authorized to do.

MR. DAVIES: Well, then you can look it up if it's published. I don't have it available here. I don't whether they wear red ties on Wednesday or strap on guns. I don't have the answer to that. It's a detailed question. I don't think it's one that is in our interest to even look into and get you an answer on, frankly. I'm happy to look into it just to see, but I'll bet you dollars-to-doughnuts that that's one we're not going to touch, for obvious reasons.

Bill.

Q About the West Bank and the Dennis Ross visit. He was quoted as saying that there had been a breakdown in confidence between Palestinians and Jews in their talks, specifically on Hebron. Have you anything to tell us about that?

MR. DAVIES: He wasn't quoted as saying that today, I don't believe.

Q I read it yesterday. It's in an article today in the Washington Post.

MR. DAVIES: Dennis went out to the region at the direction of the President and the Secretary to try to re-energize the talks on Hebron. He has already met with Prime Minister Netanyahu, with Chairman Arafat. He is right now in Cairo, meeting with Egyptian Foreign Minister Moussa and seeking a meeting with President Mubarak. He will go back to Jerusalem after his meetings in Cairo.

All I can do is repeat to you what Dennis has said, which is that much good work has been done but there's still work to do and issues to overcome, and he's going to keep at it. He may or may not make it back here before Christmas, as he had hoped, in order to report to the President and the Secretary; but he is today hard at work in the region.

Q This was from an AP wire yesterday. It says that he told Mr. Levy of the Israeli Government that there had been a "breakdown in confidence." Can you define what that 4 or interpret what that might mean?

MR. DAVIES: I would leave it to Dennis to talk about that. I haven't seen that quote so I can't even confirm that he said it absolutely.

Q Are you saying that his previous schedule, in which he was planning to definitely be back in time for Christmas, is now up for review? He may not?

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MR. DAVIES: I don't mean to signal anything too strongly here. All I mean to say is that Dennis' general guiding principle in such matters is, he remains out there as long as he thinks it's necessary or useful to do so. As far as I know, he's still planning to come back before Christmas and to report to the President and the Secretary. But his schedule is a work-in-progress. As I've said, he's now in Cairo, on his way back to Israel for further meetings. We'll simply have to see where it goes from there.

Regardless of whether he comes back or not, he will, you can be sure, report back before Christmas as he was asked to do, because there's always the telephone.

Q According to yesterday's Washington Post, the Croatian President, Franco Tudjman, openly criticized your Ambassador to Zagreb, Mr. Peter Galbraith, for undiplomatic activities against Mr. Tudjman, his political party, and even the democratic political life of Croatia. Any comment on that?

MR. DAVIES: We've said before, and I'm happy to say again, that Ambassador Galbraith is serving with distinction as our Ambassador in Zagreb. He has acted appropriately in carrying out his instructions. He has, obviously, the confidence of both the President and the Secretary of State. We've been over many times in the past this issue of Iranian arms to Bosnia, and I won't go through the litany with you today. It's all on the record; it's all available to you.

Q Is there anything on the situation in Serbia?

MR. DAVIES: I do have a little bit on the situation in Serbia. Just to let you know that the demonstrations continue. They continue to be large and peaceful demonstrations by the opposition throughout Serbia. We've also seen reports of these rent-a-crowd counter-demonstrations that are much smaller, that are organized by the ruling party. I guess sometimes the people get their lunch and sometimes they don't.

But we urge the authorities to focus on resolving the political crisis sparked by the annulment of the November 17 opposition victories in the municipal elections. They should do that rather than encourage actions that could produce further confrontation in the street.

We've warned the Serbian Government repeatedly that a crackdown against the protesters will have serious consequences and lead to Serbia's further isolation from the international community. Of course, we await the results of the OSCE's trip to Belgrade. They were there Friday and Saturday, the 20th and 21st. They will do a report which we think will be available relatively soon.

Q The PKK terrorist organization leader, Mr. Ocalan, yesterday, he made a statement to one of the Turkish newspapers. He claimed that the newly established Washington Kurdish Institute, one of his side organizations or the branch organization for the PKK, which we saw in the past another guy 4 an American-Kurdish information leader 4 he claimed the same 4 he made the same statement for this institute, but I believe he's in the line for political asylum. You claim always to fight terrorism. I wonder, what are you planning to do with this kind of claim of one of the terrorist leaders?

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MR. DAVIES: I've seen a statement from the Washington-Kurdish Institute in which they indicate they're an independent organization established by Kurdish-Americans. They don't receive support from or work at the behest of any regional grouping, including the PKK. That's really all I have on that issue.

They have indicated that they don't work at the behest of the PKK. I've got no reason to question that.

Q Do they say where they get their funds 4 the money and the establishment and support?

MR. DAVIES: I'm not sure they've indicated that to us nor have we necessarily looked into that, frankly.

Thank you.

(Press briefing concluded at 1:18 p.m.)

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