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TEXT

TAGS: OPRC  
SUBJECT: EUR/PA DAILY PRESS GUIDANCE - OCTOBER 21, 1988

1. THE FOLLOWING CONTINGENCY PRESS GUIDANCES WERE PREPARED FOR USE BY THE DEPARTMENT SPOKESMAN ON OCTOBER 21, 1988. THE GUIDANCES IN SECTIONS 2 AND 3 WERE USED IN TODAY'S BRIEFING.

2. POSSIBLE VISIT TO U.S. BY ANDREI SAKHAROV

Q: CAN YOU COMMENT ON TODAY'S NEW YORK TIME ARTICLE THAT SOVIET AUTHORITIES ARE REPORTEDLY LIKELY TO ALLOW DR. SAKHAROV TO TRAVEL TO THE U.S. NEXT MONTH AS PART OF A DELEGATION OF SOVIET SCIENTISTS AND SCHOLARS?

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A: -- WE UNDERSTAND THAT DR. SAKHAROV WILL BE GRANTED PERMISSION BY THE SOVIET AUTHORITIES TO TRAVEL TO THE U.S. IN EARLY NOVEMBER. DR. SAKHAROV WILL BE TRAVELLING IN HIS CAPACITY AS A TRUSTEE OF THE NEWLY FORMED INTERNATIONAL FOUNDATION FOR THE SURVIVAL AND DEVELOPMENT OF HUMANITY.

- WE WELCOME THE SOVIET AUTHORITIES' DECISION TO PERMIT DR. SAKHAROV TO TRAVEL ABROAD FOR THE FIRST TIME.

"- OUR POSITION ON FREEDOM OF TRAVEL REMAINS UNCHANGED. SOVIET USE OF ALLEGED KNOWLEDGE OF STATE SECRETS TO DENY MANY OTHER SOVIET CITIZENS THE RIGHT TO TRAVEL ABROAD IS DEPLORABLE, AND INCONSISTENT WITH SOVIET COMMITMENTS UNDER THE HELSINKI ACCORDS.

-- WE WOULD WELCOME A CHANGE IN POLICY BY THE SOVIET AUTHORITIES IN REGARD TO ALL OTHERS WHO WISH TO TRAVEL ABROAD.

3. EUROPEAN LINES OF CREDIT TO USSR

Q: THE NEW YORK TIMES REPORTS THAT OVER THE LAST TEN DAYS COMMERCIAL BANKS IN WEST GERMANY, FRANCE, BRITAIN, ITALY AND JAPAN HAVE SIGNALLED THEIR INTENTION TO LEND MORE THAN 9 BILLION DOLLARS TO THE USSR. HOW DOES THIS U.S. VIEW THIS DEVELOPMENT?

A: - THESE REPORTS REFER TO MULTIYEAR LINES OF CREDIT, NOT ACTUAL LOANS, IT IS BY NO MEANS CLEAR AT THIS POINT THAT SUCH LINES OF CREDIT WOULD LEAD TO A REAL INCREASE IN SOVIET BORROWING OVER THE NEXT FEW YEARS, THOUGH IT IS POSSIBLE THAT THEY MIGHT.

-- THE U.S. DOES NOT OPPOSE COMMERCIAL LENDING AT MARKET RATES AIMED AT SUPPORTING AN EXPANSION OF NONSTRATEGIC TRADE WITH THE SOVIET UNION. THE U.S. DOES STRONGLY OPPOSE THE NOTION OF SUBSIDIZED LOANS TO THE SOVIET UNION.

- WE HAVE A CONSENSUS WITH OUR ALLIES ON THIS ISSUE. IT WAS EXPRESSED MOST RECENTLY AT THE MAY ECONOMIC SUMMIT IN TORONTO, WHEN PRESIDENT REAGAN AND ALLIED LEADERS AGREED THAT, AND I QUOTE, "EAST-WEST ECONOMIC RELATIONS CAN BE EXPANDED AND SERVE OUR COMMON GOALS SO LONG AS THE COMMERCIAL BASIS IS SOUND, THEY ARE CONDUCTED WITHIN THE FRAMEWORK OF THE BASIC PRINCIPLES AND RULES OF THE INTERNATIONAL TRADE AND PAYMENTS SYSTEM, AND ARE CONSISTENT WITH THE SECURITY INTERESTS OF EACH OF OUR COUNTRIES".

-- MORE SPECIFICALLY, THE OECD EXPORT CREDIT ARRANGEMENT, TO WHICH OUR EUROPEAN ALLIES ARE PARTIES, REQUIRES MARKET RATES FOR OFFICIALLY SUPPORTED DIRECT LENDING TO DEVELOPED "CATEGORY I" COUNTRIES SUCH AS THE SOVIET UNION.

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-- IF AND WHEN THESE NEW LINES OF CREDIT ARE DRAWN ON OVER THE NEXT SEVERAL YEARS, WE WOULD EXPECT THAT

WHATEVER LENDING ACTUALLY TRANSPIRES WILL BE CONSISTENT WITH THE ALLIED CONSENSUS ON EAST-WEST ECONOMIC RELATIONS, AND WITH THE OECD RULES AGAINST SUBSIDIZING LOANS TO THE SOVIET UNION.

Q: THE ARTICLE REFERS TO THESE LINES OF CREDITS AS "UNTIED LOANS," WHICH WOULD NOT BE LINKED TO SPECIFIC TRADE TRANSACTIONS. WOULD YOU COMMENT?

A: -- SO ARE AS WE KNOW, THESE LINES OF CREDIT ARE TO BE USED IN CONNECTION WITH SPECIFIC TRADE ARRANGEMENTS. SO THEY WOULD NOT REPRESENT "UNTIED LOANS."

Q: THE ARTICLE ALSO MENTIONS THAT THE ADMINISTRATION IS LIKELY TO RAISE THE ISSUE OF THESE LOANS "IN THE FRAMEWORK OF THE OECD" HAS THE USG BEEN CONSULTING WITH ITS ALLIES ON THIS?

A: -- WE ARE CONSULTING WITH OUR ALLIES AS WE DO ON ALL SIGNIFICANT ISSUES OF MUTUAL CONCERN.

Q: THE ARTICLE ALSO REPORTS SPLITS WITHIN THE ADMINISTRATION ON THIS ISSUE. WOULD YOU COMMENT?

A: -- THERE IS CONCENSUS WITHIN THE ADMINISTRATION ON THIS.

4. WALDHEIM VISIT TO TURKEY

Q: DO YOU HAVE ANY REACTION TO REPORTS IN THE FOREIGN PRESS, THAT THE U.S. GOVERNMENT AND AMERICAN JEWISH GROUPS HAVE BEEN PRESSURING THE GOVERNMENT OF TURKEY NOT TO RECEIVE AUSTRIAN PRESIDENT **KURT WALDHEIM** WHEN HE PASSES THROUGH ON NOVEMBER 2-3?

A: -- THE U.S. GOVERNMENT HAS NOT TAKEN A POSITION ON THE FORTHCOMING STOPOVER IN TURKEY OF AUSTRIAN PRESIDENT WALDHEIM. WHOM THE GOVERNMENT OF TURKEY RECEIVES IS A MATTER FOR THE GOVERNMENT OF TURKEY TO DECIDE.

- THE U.S. GOVERNMENT POSITION ON MR. WALDHEIM IS WELL KNOWN, AND HAS NOT CHANGED.

-- THE U.S. GOVERNMENT DECISION TO PLACE MR. WALDHEIM ON THE U.S. IMMIGRATION "WATCHLIST" WAS A RESULT OF REQUIREMENTS OF OUR DOMESTIC LAW, AND WAS IN NO WAY DIRECTED AGAINST THE OFFICE OF THE AUSTRIAN PRESIDENCY OR THE AUSTRIAN PEOPLE.

IF PRESSED ON WHETHER THE U.S. HAS SPOKEN TO THE TURKISH GOVERNMENT ON THIS SUBJECT -- WE DO NOT DISCUSS OUR DIPLOMATIC EXCHANGES

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5. NEW SOVIET INF FACILITY?

Q: CAN YOU COMMENT ON A PRESS REPORT THAT THE U.S. HAS DISCOVERED A NEW SOVIET INF MISSILE PRODUCTION FACILITY THAT WAS NOT COVERED IN THE ORIGINAL INF AGREEMENT?

A: -- WE DO NOT COMMENT ON INTELLIGENCE MATTERS; I HAVE NO COMMENT ON THIS PARTICULAR REPORT.

-- HOWEVER, THE U.S. GOVERNMENT IS SATISFIED THAT THE INF TREATY IS BEING IMPLEMENTED ACCORDING TO ITS TERMS. WE ARE CONFIDENT THAT OUR ABILITY TO VERIFY SOVIET COMPLIANCE WITH THE TERMS OF THE TREATY HAS NOT BEEN COMPROMISED.

-- OUR INTENT IN DESIGNING THE INF VERIFICATION REGIME WAS TO INSPECT ONLY FINAL SS-20 MISSILE ASSEMBLY FACILITIES, NOT ALL POSSIBLE SS-20 COMPONENT PRODUCTION FACILITIES. WE ARE CONFIDENT THAT WE ARE ABLE TO INSPECT ALL THE NECESSARY FACILITIES TO VERIFY SOVIET COMPLIANCE WITH THE INF TREATY.

6. LENINGRAD MINIMIZE CONSIDERED. SHULTZ

ADMIN  
END OF MESSAGE

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