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502876

.ID# _____
POOD -/

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O • OUTGOING
- H • INTERNAL
- I • INCOMING

Date Correspondence Received (YY/MM/DD) 01-01-01

Name of Correspondent: _____

MIMailReport UserCodes: (A) _____ (B) _____ (C) _____

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ROUTE TO:	ACTION	DISPOSITION
Office/Agency (Staff Name)	Initiation Date YY/MM/00	Type of Response Code Completion Date YY/MM/DD
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<u>995TAT</u>	<u>Referral Note:</u> <u>R 8706124 PY</u>	<u>1 1</u>
	<u>Referral Note:</u> <u>attn: Cathy Thibodeau</u>	<u>1 1</u>
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	<u>Referral Note:</u>	<u>1 1</u>

ACTION CODES:

- A • Appropriate Action
- C • Comment/Recommendation
- O • Draft Response
- F • Furnish Fact Sheet
- ‡ be used as Enclosure
- I • Info Copy Only/No Action Necessary
- R • Direct Reply w/Copy
- S • For Signature
- X • Interim Reply

DISPOSITION CODES:

- A • Answered
- B • Non.Special Referral
- C • Completed
- S • Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response Code - "A"
- Completion Date • Date of Outgoing
- Initials of Signer

Comments: _____

Keep this worksheet attached to the original Incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

THE WHITE HOUSE

WASHINGTON

June 24, 1987

MEMORANDUM FOR:

CATHY THIBODEAU
Congressional Correspondence
Department of State

FROY::

~~Mr. [unclear]~~ RATT, ul: FK
Director, Congressional
Correspondence

SUBJECT:

Economic Summit

As is usually the case, we received letters from Members of Congress immediately before after President Reagan left for the Economic Summit.

Because there was insufficient time to prepare an interim, I would appreciate your assistance in seeing that a DIRECT reply is sent to Congressman Jack Kemp et al in response to the suggestion that the issue of untied loans to the Soviet Union be raised at the summit.

Thanks very much for your help.

cc: Records Management - FYI (ID# 502876)



THE WHITE HOUSE
WASHINGTON

June 4, 1987

a one-page covering memo
w/ a three-page letter
as attachment

VC:? R?

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MEMO TO: SJ:NATOR BAKER
Y!{EN DUBERSTEIN

FROM: **WILLIAM L. BALL, III, V**

SUBJECT: Correspondence Regarding Venice Summit

We have just received the attached letter signed by eighteen House and Senate members urging the President to bring up the issue of untied loans and Soviet access to Western capital at the Venice Summit.

Attachment

cc: Frank Carlucci
Colin Powell

ongrt of the lnfttb tatts
· fngton, a. . 20515

000816

June 2, 1987

President Ronald Reagan
The White House
Washington, D.C.

Dear Mr. President,

Over the past year, Western commercial banks have made nearly \$4 billion in untied loans to the Soviet Union, loans not linked to any specific trade transaction or project. Another \$2 billion in other loans have been made, which in addition to interbank deposits are sources of hard currency to the Soviet Union and its allies. It is likely that the Soviet Union will soon seek to enter the Eurobond and other security markets, attracting capital from Western pension funds, insurance companies, and other corporations.

These untied cash loans free up scarce Soviet resources, or make available funds that can be directly diverted to finance aggression abroad and oppression and the military buildup at home. The Soviets are continuing their genocidal war against the people of Afghanistan, and through its surrogates are seeking to expand their military and political influence in nations on every continent. The record of Soviet financing of international terrorism and systematic denial of the rights of Soviet Jews, Christians, and ethnic minorities to freely emigrate is clearly established.

We strongly urge you to raise the specific issue of untied loans and Soviet access to Western capital at the Venice Summit. In particular, we would urge that you seek an allied agreement to hold a ministerial level conference to assess the effect on Western security interests and human rights policy in allowing the Soviet Union access to untied loans, and future access to the Eurobond and other security markets. The primary objective of the conference would be the development of a joint program to supervise and monitor the voluntary adoption of more disciplined lending policies by Western banks to the Soviet Union and its allies.

There is a clear precedent for such an effort. In the past, the nations represented at the Venice Summit have jointly undertaken efforts to protect human rights, combat terrorism, and place conditions on Western capital flows. These actions included: a call for strict implementation of the Helsinki Accords requiring freedom of movement and emigration with special

emphasis on travel for reunification of divided families; a number of joint efforts to combat terrorism; and the Organization of Economic Cooperation and Development's elimination of preferential terms on government backed credits to the Soviet Union.

Mr. President, we believe that the Venice Summit offers an important opportunity to develop a common policy governing Western capital flows to the Soviet Union. We urge you to seize this opportunity, and take a leadership role in developing a policy that will not only serve our own security and economic interests, but will support those individuals in the Soviet Union who are struggling for the most basic of human freedoms.

Sincerely,

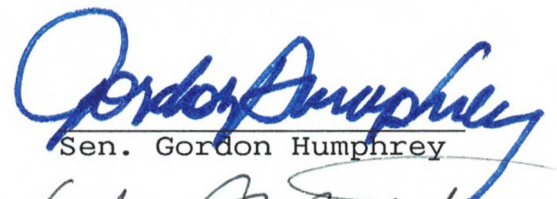

Rep. Jack Kemp


Sen. Dennis DeConcini


Rep. Steny Hoyer



Sen. Robert Kasten


Rep. Wm. Broomfield


Sen. Gordon Humphrey

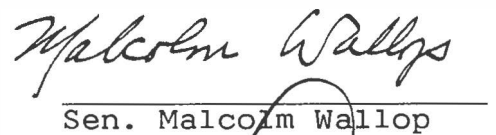

Rep. Chalmers Wylie


Sen. Howard Metzenbaum

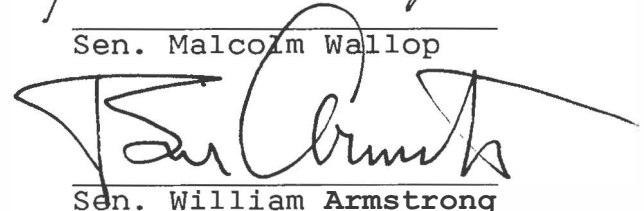

Rep. Trent Lott


Sen. Phil Gramm



Rep. Dick Cheney


Sen. Malcolm Wallop


Rep. Tom Lantos


Sen. William Armstrong

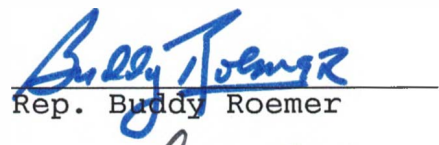
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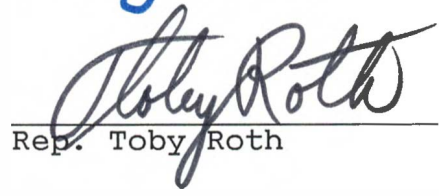
Rep. John Porter



Rep. Frank Wolf



Rep. Buddy Roemer



Rep. Toby Roth

ID# 502950

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WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

OUTGOING

INTERNAL

INCOMING

Date Correspondence Received (YYMMDD) 01:11:01

Name of Correspondent: b la

MIMailReport

UserCodes: (A) (B) (C)

subject: ML<Wtn,& ru p AA-9 J ;tr.4

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Office/Agency	(Staff Name)	Tracking Date YYMMDD	Type of Response	Code	Completion Date YYMMDD
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- Type of Response Code .. "A"
- Initials of Signer
- Completion Date = Date of Outgoing

Comments:

letters sent to Bob Dole

C(d - V

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Prime Subject Code: E9.006.12 Secondary Subject Codes: C 0 Q...; 1-QC
JL Q 3.

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C <u> </u>	<u> </u>	Time: <u> </u>	p. <u> </u>
DSP	<u> </u>	Time: <u> </u>	Media: <u> </u>

VB

SIGNATURE CODES:

- CPn • Presidential Correspondence
- n•0 • Unknown
- n•1 • Ronald Wilson Reagan
- n•2 • Ronald Reagan
- n•3 • Ron
- n•4 • Dutch
- n•5 • Ron Reagan
- n•8 • Ronald
- n•7 • Ronnie

- CLn • First Lady's Correspondence
- n•0 • Unknown
- n•1 • Nancy Reagan
- n•2 • Nancy
- n•3 • Mrs. Ronald Reagan

- CBn • Presidential & First Lady's Correspondence
- n•1 • Ronald Reagan • Nancy Reagan
- n•2 • Ron • Nancy

MEDIA CODES:

- B • Box/package
- C • Copy
- D • Official document
- Q • Message
- H • Handcarried
- L • Letter
- M • Mailgram
- O • Memo
- P • Photo
- R • Report
- S • Sealed
- T • Telegram
- V • Telephone
- X • Miscellaneous
- Y • Study

June 30, 1987

Dear Senator O'Amato

Thank you for your letter of June 2 to the President regarding the case of accused terrorist Mohammed Hamadei.

Although the United States would have preferred that the Federal Republic of Germany (FRG) extradite Mohamad Hamadei to the O.S., the FRG has informed the United States that it will try him on all charges associated with the TWI' 847 case, including murder, hijacking and hostage taking, as well as crimes committed in the FRG.

The FRG has assured us that prosecution of the charges brought against Hamadei will be speedy, vigorous and complete. We have been further assured that Hamadei's trial will proceed in an expeditious manner with Hamadei being prosecuted to the full extent of the law. We welcome these assurances.

While we made clear our preference for extradition, our objective has always been to bring Hamadei to justice, in accordance with international law. An expeditious and vigorous prosecution in Germany of Hamadei will satisfy our interest in justice for the victims of Hamadei's crimes while meeting the FRG's international legal obligations.

The Administration's decision to prosecute Hamadei to the full measure of the law shows its determination to root out terrorism, blackmail and extortion and to shoulder the burden which this decision implies. It is also further evidence of the government's level of international cooperation to combat terrorism. We are confident that the rule of law will prevail in this case.

With best wishes,

Sincerely,

William U. Ball, III
Assistant to the President

To: Honorable Alfonse O'Amato
United States Senate
Washington, D.C. 20510

WLB:KRJ:JWR:jwr

June 30, 1987

Dear Senator Dole:

Thank you for your letter of June 2 to the President regarding the case of accused terrorist Mohammed Hamadei.

Although the United States would have preferred that the Federal Republic of Germany (FRG) extradite Mohamad Hamadei to the U.S., the FRG has informed the United States that it will try him on all charges associated with the TWA 847 case, including murder, hijacking and hostage taking, as well as crimes committed in the FRG.

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While we made clear our preference for extradition, our objective has always been to bring Hamadei to justice, in accordance with international law. An expeditious and vigorous prosecution in Germany of Hamadei will satisfy our interest in justice for the victims of Hamadei's crimes while meeting the FRG's international legal obligations.

The German decision to prosecute Hamadei to the full measure of the law shows its determination to reach terrorist blackmail and a willingness to shoulder the burden which this decision implies. It is also further evidence of the growing level of international cooperation to combat terrorism. We are confident that the rule of law will prevail in this case.

With best wishes,

Sincerely,

William L. Ball, III
Assistant to the President

The Honorable Bob Dole
Republican Leader
United States Senate
Washington, O.C. 20510

WLB: RJ:JWR:jwr

THE WHITE HOUSE
WASHINGTON

Date: 6/30/87

TO: WILL

FROM: KATHY RATTE JAFFKE
Office of Legislative Affairs

The responses for these two letters about Mohammed Hamadei are based on talking points from Alison (copy attached).

United States Senate

WASHINGTON, DC 20510

June 2, 1987

502950

The President
The White House
Washington

Dear Mr. President:

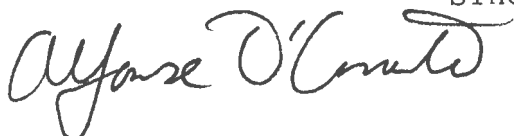
As you prepare to depart for the Venice Summit, we urge that you place high on your agenda for talks with West German Chancellor Kohl the need for speedy action by Bonn to extradite accused terrorist Mohammed Hamadei to the United States.

Hamadei has been charged with and indicted for murder and other crimes in this country. Our extradition request -- made under clearly established terms of our bilateral extradition treaty -- has been with the West Germans for about five months. Now we see reports that the Bonn Government may actually be negotiating a deal with Iran, under which Hamadei would not be extradited; would have his "wrists slapped" in a sham trial in Bonn; and then would be swapped for West German nationals kidnapped in Beirut.

That outcome would be totally unacceptable to us and, we believe, to the Senate and the people of the United States.

It is easy to talk tough about terrorism. It is harder to act tough, when the time comes. Now is the time for West Germany to act tough; to do what is right. And now is the time for us to make clear that, if West Germany is party to an arrangement under which Hamadei is not brought to justice, it inevitably will have a negative impact on our bilateral relations.

Sincerely yours,



ALFONSE D'AMATO
United States Senate



BOB DOLE
United States Senate



ASPIN
Weinberger

U.S. Delegation Meets Bonn Officials To Push Alleged Terrorist's Extradition

By John M. Goshko
Washington Post Staff Writer

Cautiously optimistic that West Germany might now be more disposed to extradite a Lebanese man accused by the United States of murder and hijacking, a high-level U.S. delegation met with officials in Bonn yesterday to press the U.S. argument that the alleged terrorist should be sent here for trial.

U.S. officials said privately there is still no assurance that Bonn, concerned about the safety of two West German businessmen held hostage in Lebanon, will agree to extradite Mohammed Ali Hamadei. He is a Lebanese Shiite who allegedly took part in the June 1985 hijacking of a TWA airliner to Beirut and the murder of a U.S. Navy diver, Robert D. Stethem, of Waldorf, Md., who was among the passengers.

However, the sources continued, the Reagan administration now believes that heavy American pressure has deterred Chancellor Helmut Kohl's government from reaching an agreement with Mideast terrorists. That agreement would have seen Hamadei and his brother—Abbas Ali Hamadei, also held in a West German prison—tried in

West Germany on lesser charges and given six-month sentences.

Representing the administration in yesterday's talks were Abraham D. Sofaer, the State Department legal adviser; Stephen S. Trott, the associate attorney general, and Victoria Toensing, a deputy assistant attorney general from the Justice Department's Criminal Division.

U.S. sources said that they were in Bonn to clarify West German questions about U.S. legal procedures and how they apply to Mohammed Hamadei. However, the sources said, the delegation's purpose also was to signal U.S. impatience over Bonn's failure to deal with Hamadei, who was arrested at the Frankfurt airport Jan. 13.

His arrest, and that of his brother a few days later, became a highly sensitive issue for the Kohl government when two Germans, Rudolf Cordes and Alfred Schmidt, were kidnaped by Beirut terrorists with reputed ties to the Hamadeis. In subsequent months, Bonn has followed a policy of assuring the United States it is weighing the extradition request, while floating trial balloons in the West German press about the possibility of a deal that would free the German hostages.

Two weeks ago, Hans-Juergen Wischnewski, an opposition Social Democrat who has extensive ties in the Middle East, flew to Tehran in an apparent attempt to open contact with the kidnapers. That led to reports of a deal under which the Hamadei brothers would be tried on minor charges and given sentences of about six months, with the German hostages being freed.

According to U.S. sources, that prompted the Reagan administration to mount a vigorous campaign to convince Bonn that such a move would be a major setback for efforts to combat international terrorism and might do serious damage to U.S.-West German relations.

The sources said the U.S. effort apparently succeeded in causing Bonn to back away from the deal. Now, under West German law, Bonn must decide soon whether to drop the lesser charges under which the Hamadeis are being held.

The U.S. view, which the sources said was pressed in yesterday's talks, was that these do not hold the promise of sufficient punishment and that if Bonn really is serious about fighting terrorism, it has no option other than to extradite Mohammed Hamadei to this country.

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Kuwait Says It Also Asked China to Defend Shipping

Reuter

BEIJING, June 9—Kuwait has asked China to let Kuwaiti oil tankers sail under the Chinese flag for

the Chinese government was considering the request, which had been put through diplomatic channels at the United Nations

have Navy protection. The Soviet Union also has agreed to protect Kuwaiti oil transports.

There was no immediate comment

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Chow
The Federal Republic has informed us that it will try Mohammed Hamedi on all charges associated with the TWA 847 case, including murder, hijacking and hostage taking, as well as crimes committed in the FRG.

The FRG has assured us that the prosecution on the charges brought against Hamedi will be speedy, vigorous, complete and to the full extent of the law. We have been further assured that Hamedi's trial on all the charges will commence in an expeditious manner. We also have been assured by the FRG that Hamedi will be dealt with to the full extent of the law. German law provides for a life sentence on conviction for murder.

We welcome these assurances. While we made clear our preference for extradition, our objective has always been to bring Hamedi to justice, in accordance with international law. An expeditious, vigorous and complete prosecution in Germany of Hamedi with full punishment will satisfy our interest in justice for the victims of Hamedi's crimes while meeting the FRG's international legal obligations.

The German decision to prosecute Hamedi to the full measure of its law shows the determination of the FRG to resist terrorist blackmail and a willingness to shoulder the burden which this decision implies. It is also further evidence of the growing level of international cooperation to combat terrorism. We are confident that the rule of law will prevail in this case as it has on numerous occasions in recent months.

DRAFT

TALKING POINTS FOR PHONE CONVERSATION WITH
MRS. STETHEM

- The German government has assured us that Hamedi will be prosecuted for murder and hijacking to the full extent of German law.
- They have also assured us that there will be no deal and that they will not grant him clemency if convicted.
- We are confident the German government will fulfill its international legal obligations and Hamedi will get the justice he deserves.
- As you know, we all would have preferred extradition to a trial in Germany and we continually worked towards this end.
- Only when I was sure the Germans had decided not to extradite Hamedi and was also assured by Chancellor Kohl that they would try him for murder and hijacking in Germany did I accept their decision not to extradite.

*... a copy of G to provide all the ... evidence ...
in a conviction*

...

Q's and A's

Q: What about our extradition request? Didn't the U.S. press the FRG for extradition of Hamadei?

A: -- As you know, we have stated a preference to try Hamadei in the United States because Robert Dean Stethem, the murder victim, was an American citizen, TWA is an American carrier, and most of the hostages were American citizens.

-- We believe that we are in a position to present an immediate and very effective prosecution with excellent prospects for conviction.

-- Refusal of extradition at this time does not exclude the U.S. from reinstating its extradition request should circumstances so warrant.

Q: What does that mean?

A: -- If the FRG could not complete proceeding against Hamadei on all charges for which extradition was sought, we could resubmit our extradition request.

Q: What international obligations does the Federal Republic fulfill by trying this case?

A: -- Under the 1978 US-FRG extradition treaty, the FRG would only be in a position to deny extradition if it prosecutes Hamadei on all charges for which extradition was sought.

-- Under the 1970 Hague Convention for the Supression of Unlawful Seizure of Aircraft, the 1971 Montreal Convention for the Supression of Unlawful Acts Against the Safety of Civil Aviation, and the 1979 Convention Against the Taking of Hostages, the FRG has an obligation to prosecute Hamadei on the charges for which extradition was sought if it does not extradite to the United States.

-- In keeping with these international obligations, the FRG has assured us it will promptly prosecute Hamadei, on all TWA charges and if convicted punish him to the full extent of the law.

Q: Did the President and State Department do enough with the FRG? Mrs. Stethem thinks not.

A: We can of course understand Mrs. Stethem's strong feelings. The United States Government repeatedly raised the Hamadei case with senior levels of the Federal Republic. In these discussions, we underscored in the strongest terms our desire that Hamadei be brought to justice either by prosecution or preferably by extradition for all the charges associated with the TWA case including murder and hijacking. The German decision satisfies our concerns.

Q: What is the time frame -- 3, 6 months? A year?

A: -- THE GERMAN GOVERNMENT HAS ADVISED US THAT EVERY EFFORT WILL BE MADE TO PROCEED EXPEDITIOUSLY ON ALL CHARGES. WHILE THE FRG IS NOT YET IN A POSITION TO SPECIFY A TIME FRAME, WE ARE CONFIDENT THAT THEY WILL PROCEED AS SPEEDILY AS POSSIBLE.

Q: Will American witnesses appear in the German trial?

A: -- THAT WILL BE THEIR DECISION TO MAKE. A REQUEST FOR THEM TO APPEAR IS PREMATURE AT THIS TIME, BUT WE WOULD HOPE THAT, IF ASKED, THEY WOULD CONTINUE THE COOPERATION THAT THEY HAVE SHOWN THROUGHOUT THIS CASE.

Q: Will Justice Department officials assist with the trial in Germany? Have they asked for this? What was the German reaction?

A: -- USG AUTHORITIES, INCLUDING MOST RECENTLY THE ATTORNEY GENERAL, HAVE OFFERED ALL POSSIBLE USG ASSISTANCE TO THE GERMAN PROSECUTORS IN PREPARING THEIR CASE IN ORDER TO ENSURE SUCCESSFUL PROSECUTION AS SOON AS POSSIBLE. TO DATE THE GERMANS HAVE NOT MADE A FORMAL REQUEST FOR U.S. ASSISTANCE.

Q: Have the Germans assured us that they will not ask for clemency after the trial and sentencing? Have we pressed them on clemency?

A: -- THE GERMANS HAVE REPEATEDLY ASSURED US THAT THERE WILL BE NO "DEAL" WE HAVE CONFIDENCE IN THOSE ASSURANCES. WE HAVE ALSO MADE IT CLEAR IN OUR DISCUSSIONS THAT WE FORSEE NO CIRCUMSTANCES UNDER WHICH CLEMENCY WOULD BE APPROPRIATE IN THIS CASE. AS THE GERMANS HAVE SAID THEY WILL NOT CONSIDER APPEALS FOR CLEMENCY.

Q: With this denial of extradition, could we ever ask for it again?

A: -- THE FRG AUTHORITIES HAVE ADVISED US, CONSISTENT WITH OUR EXTRADITION TREATY, THAT DENIAL OF OUR EXTRADITION REQUEST WILL NOT BE FINAL OR BINDING UNTIL AFTER HAMADEI'S TRIAL AND SENTENCING IN GERMANY ON ALL CHARGES FOR WHICH EXTRADITION WAS SOUGHT. THE U.S. IS FREE TO RENEW ITS EXTRADITION REQUEST AT ANY TIME.

Cleared: S/CT:AAdams

EUR/CE:MHabib

L/LEI:JDolan

Drafted:
S/CT: DRHamilton/MKraft
doc. 0976h; tel 77633
Cleared:
S/CT: LPBremer
L/LEI: JDolan
L ASofaer
EUR/CE: HGilmore
EUR/CE: MHabib
EUR/CE: RBeecroft
EUR/PP: DSmith
NSC: TMcNamara
Justice: PKorten

Q Com 5 family or old rest of victim
became civil part to by Gov process

A. That is an option for the victims and other the
victims to consider.

ADDITIONAL QUESTION & ANSWER FOR HAMEDI

Q: Can the Stethem family or other victims of the crime become civil parties to the German prosecution?

A: That is an option for the Stethems and the other victims to consider.

THE WHITE HOUSE
WASHINGTON

May 27, 1987

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MEMORANDUM FOR STEVE DANZANSKY

FROM: NANCY RISQUE *Nancy*
SUBJECT: "Hearsay" Regarding French Intentions at Summit

I explained to you that I have heard from the Hill that the French intend to seek a joint agreement on genome mapping in Vienna.

The following is the reaction to such an effort by Bob Sweet, who serves as policy analyst for the Domestic Policy Council.

The human genome sequencing project is unlikely to be brought up at the Vienna Summit in conjunction with AIDS. The AIDS viruses have been sequenced. They are relatively small, only 10,000 units as compared with 3.5 billion units in the human genome. Information about the genetic content of AIDS viruses is maintained in a separate data bank at Los Alamos National laboratory (funded by NIH/NIAID) and is shared with the European Molecular Biology Laboratory at Heidelberg, which maintains the bank of genetic information for Europeans. This information is published quarterly and is freely available to other countries.

Because the AIDS viruses are changing relatively rapidly (estimated to be 2-10 times the mutation rate of influenza), there will be an ongoing sequencing effort to support vaccine and medicine development. As much as 10% of our sequencing effort in a few years may well be on AIDS viruses. Advances in sequencing technology will reduce the time and cost to do this work. As we learn more about the structure of the human genome and the actual DNA sequence, we are likely to better understand how the AIDS virus gets incorporated into human DNA and replicates. Thus, advances in the Human Genome Project will be useful but not critical in the fight against AIDS.

*Steve -
I hope this
helps you
understand if
it does come up!*

THE WHITE HOUSE
WASHINGTON

June 4, 1987

WVS

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MEMORANDUM FOR KEN DUBERSTEIN

FROM: William L. Ball, III *WB*

By a vote of 90-1 (Bradley), the Senate adopted a Byrd sense of the Senate resolution regarding commitments the President should seek to obtain at the Venice Summit.

- On Trade: Germany and Japan should reduce trade surpluses by increasing imports and restructuring their economies;
- On AIDS: Participants should cooperate with U.S. and World Health Organizations to combat AIDS;
- On Agriculture: EC and Japan should liberalize agriculture import policies; and
- On Security matters: Allies should cooperate in diplomatic and military measures which may be necessary to ensure Western security interests in the Persian Gulf.

Full text is attached.

IN THE SENATE OF THE UNITED STATES

Mr. Byrd submitted the following resolution; which was

RESOLUTION

To express the sense of the Senate regarding commitments that the President should seek to obtain at the Venice Summit on trade, on AIDS, on agricultural exports, and on security matters.

Whereas the heads of state of seven leading industrialized nations will soon convene in Venice for an economic summit meeting;

Whereas the strong growth of imports into the United States has provided most of the stimulus to world trade for the last several years, but this stimulus has ended with the decline in the dollar;

Whereas Germany and Japan have, in contrast, had export-led growth and sluggish imports resulting in extraordinarily large trade and current account surpluses over the last several years that derive not only from macroeconomic policies but trade practices;

Whereas Germany and Japan can promote the expansion of world trade and growth by using their enormous trade surpluses to increase their imports substantially;

Whereas returning to relative balance in our international accounts will require concerted efforts in both macroeconomic and trade policies by the other nations attending the economic summit;

Whereas the United States Congress is committed to act expeditiously to correct our own internal imbalances by reducing the budget deficit and improving the competitiveness of American industry;

Whereas Germany and Japan have moved slowly to correct their own macroeconomic and trade imbalances;

Whereas the sharp appreciation of the German and Japanese currencies is depressing their exports and compelling the governments of those two countries to adopt policies to stimulate demand for their own domestic production, but their internal domestic pressures will discourage greater demand for imports;

Whereas the current value of the dollar is now being supported by substantial purchases of U.S. securities by foreign central banks at levels that will be difficult to sustain indefinitely;

Whereas further substantial reductions in the value of the dollar would erode the standard of living of the United States and disrupt the economies of nations whose currencies appreciate;

Whereas the United States economy has been far more open to imports than the economies of Germany and Japan and this has contributed to the current wide imbalances in world trade;

Whereas fundamental programs by Germany and Japan to ensure much greater openness to imports would contribute to a restoration of balance in world trade and act as an alternative to further substantial reductions in the value of the dollar;

Whereas the European Community's highly protectionist variable

levy is the primary cause of the \$5 billion, 50 percent reduction in U.S. agricultural exports to Europe and Japanese trade barriers cost U.S. farmers at least \$1 billion every year;

Whereas the worldwide spread of Acquired Immune Deficiency Syndrome (AIDS) threatens the lives of millions of the world's citizens; and

Whereas the spread of AIDS poses grave risks to the economic development of certain less developed countries;

Whereas a coordinated, global response to this international health crisis will hasten the day when AIDS will be defeated;

Whereas the participant nations at the Venice summit should make a firm commitment to work together to combat this epidemic;

Whereas recent developments in the Persian Gulf have emphasized the importance of the region to Western economic security;

Whereas the continued freedom of navigation and flow of commerce in the Gulf region is in the interest of the Western Alliance as a whole;

Whereas the United States is committed to ensuring the continued access of commercial shipping to the Persian Gulf;

Whereas the Iran-Iraq war constitutes a continuing threat to Allied interests and to freedom of navigation in the Gulf; Now, therefore be it

Resolved, That it is the sense of the Senate that:

(1) the United States should seek commitments from Germany and Japan at the upcoming Venice economic summit to reduce their trade surpluses by substantially increasing their imports, not only by stimulating demand, but by restructuring their economies to become permanently more open to imports of goods and services;

(2) the United States should seek commitments from the European Community and Japan to liberalize their agricultural import policies;

(3) the United States should seek commitments from other participants at the Venice summit to contribute and cooperate with the United States and international efforts, particularly those of the World Health Organization, to combat and prevent the spread of AIDS; and

(4) the President should encourage the Allies at the Venice summit to cooperate in diplomatic and military measures which may be necessary to ensure Western security interests in the Persian Gulf.

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