European Washington File

Public Affairs Section

Embassy of the United States, Stockholm, Sweden

Thursday, October 21, 2004

Transcript: Powell Voices Support for Iraq's Election Plan
(On Abu Dhabi TV, secretary urges U.N. to do more for election preparations) 3

Transcript: Khalilzad Identifies Challenges Facing New Afghan Government
(Ambassador sees Taliban, militias, narcotics as key problems) 3

Transcript: Armitage Thanks Australia for Contributions in Afghanistan, Iraq
(Deputy secretary also discusses North Korea, war on terrorism) 4

Defense Department Report, October 21: Abu Ghraib, Paul Nitze
(Army sergeant sentenced for prison abuse; tribute to Nitze) 5

Transcript: No Direct Bargaining with North Korea, Powell Says
(Bush administration remains committed to six-party talks) 6

Text: Bush Earmarks Funds to Destroy Chemical Warfare Agents in Albania
(Money will come from U.S. Cooperative Threat Reduction Program) 7

United States Helping Africa Win Its Fight Against Terrorism
(Ambassador Cofer Black pledges continued U.S. support) 7

Comprehensive U.S. Program Aids Fight Against Terrorism Abroad
(Anti-Terrorism Assistance helps countries meet U.N. standards, protects people, homeland) 9

Text: United States Lends Support for Two Hotel Projects in Uzbekistan
(Overseas Private Investment Corporation provides $590,000 in political risk insurance) 11

Text: U.S. Loan Helps Establish Manufacturing Facility in Azerbaijan
(Baku Oil Tools forms joint venture with Azerbaijan State Oil Company) 12

Text: U.S. Awards $75 Million to Hydrogen Fuel Research Projects
(Work expected to boost U.S. leadership in hydrogen technology) 13

Text: Large-Scale Forces Shape Local Ocean Life, Global Study Shows
(Currents, geologic upheaval, global warming affect local diversity) 14

Text: Genetically Modified Parasite Helps Immune System Fight Invasion
(New insights may help efforts to develop Leishmania, AIDS vaccines) 16

Text: International Consortium Describes Complete Human Genome Sequence
(Researchers trim count of human genes from 35,000 to 20,000-25,000) 18

Transcript: White House Daily Briefing, October 21
(President's schedule, Iraq)..... 19

Transcript: State Department Noon Briefing, October 21
(Powell/death of Paul Nitze, Cuba, Iran, Iraq, South Korea, Belarus, Cyprus, China, North Korea, United Nations) .. 19

Text: Belarus Democracy Act Will Help Cause of Freedom, Bush Says
(New law applies sanctions, provides funding for parties, NGOs, media) 21

Text: U.S. Drug Agency Breaks International Money, Drug Ring
(DEA arrests 83 suspects as a result of Operation Money Clip)..... 22

Text: U.S. Labor Dept. Awards $18.65 Million to Fight Human Trafficking
(Grants will fund services for victims, those at risk, governments)..... 23

Text: Labor Dept. Awards $9 million for U.N. Workplace AIDS Programs
(Funds to international labor agency will target awareness, discrimination)..... 24

Oil Prices Unlikely to Affect U.S. Monetary Policy, Policymaker Says
(Federal Reserve governor views return to cheap oil as unlikely)..... 25

U.S. Breaks Up Mexican Drug-Trafficking Organization
(83 people arrested in case involving money laundering)..... 26

Transcript: Powell Voices Support for Iraq's Election Plan

(On Abu Dhabi TV, secretary urges U.N. to do more for election preparations)

Secretary of State Colin Powell says the United States is supporting Iraqi Interim Prime Minister Iyad Allawi's efforts to hold national elections by the end of January 2005 and is urging the United Nations to do more to help organize the elections.

In an interview with Abu Dhabi television October 21, Powell said the United States will respect the outcome of the elections, provided that they are free, fair and open and that all segments of the Iraqi population get to participate. He said he believes that the Iraqi people want a government that is not radicalized, but rather one that respects the rights of all Iraqi people.

"[I]t's important for the United Nations to step forward and to increase the number of people they have in the country who would be working on the election," Powell said.

Commenting on Syria, Powell said the government in Damascus should remove Syrian troops from Lebanon and should allow the Lebanese people to decide how they will be governed.

With regard to Iran, the secretary said the Iranian nuclear issue should be referred to the U.N. Security Council for consideration "unless there is a complete change of attitude on the part of the Iranians and they come into compliance with all of their obligations" to the International Atomic Energy Agency.

"We do not wish ill of the Iranians. We just think that it is very destabilizing for Iran to have a nuclear program that we believe is really a nuclear weapons development program," Powell said.

The secretary said Iran's claims that its nuclear program is for peaceful purposes are suspicious in light of the fact that the country has abundant reserves of oil. He added that Iran's lack of interest in a "closed fuel cycle" that would allow the international community to monitor the nuclear materials that enter and leave the country heightens those suspicions.

With regard to the Israeli-Palestinian conflict, Powell said Israeli Prime Minister Ariel Sharon's plan to withdraw from Gaza and portions of the West Bank is an opportunity to "finally start to get rid of the settlement, which is what people have wanted all along."

He urged the Palestinians to take effective action to end terrorist operations so that the peace plan laid out in the road map can move forward.

Commenting on the crisis in the Darfur region of western Sudan, Powell said the United States and the industrialized world are playing a "correct" role by "enabling" African troops to go in on the ground as a "monitoring protection force."

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Transcript: Khalilzad Identifies Challenges Facing New Afghan Government

(Ambassador sees Taliban, militias, narcotics as key problems)

Eliminating the threat of the Taliban, demobilizing the remaining Afghan militias and fighting the narcotics trade are the primary challenges facing the government of whichever candidate emerges as winner of Afghanistan's October 9 presidential election, according to U.S. Ambassador Zalmay Khalilzad.

----- ***** -----

The eventual winner "will have the mandate of the Afghan people to put a government together, and Afghan people's expectations will be high from this government," Khalilzad told reporters at an October 19 briefing.

The ambassador said that the Taliban had been weakened by its inability to influence the election. He said the commitment of the voters had shown the members of the Taliban "their worth in the eyes of the Afghan people," adding that many Afghans reported on Taliban activities in the days leading up to the election.

Khalilzad said that this situation could pave the way for the new Afghan government to pursue what he called a "balanced approach" between accountability and reconciliation in dealing with the Taliban. He said that some Taliban leaders must be held accountable for their actions. However, there could be reconciliation for others who choose to accept the constitution, renounce violence and return to a peaceful, civilian life.

The ambassador also spoke of the progress that has been made in demobilizing regional militias. He said that 57 percent of heavy weapons have been secured and that 20,000 militia forces have been decommissioned.

"The balance of power is shifting decisively in favor of the government," he said, adding that the remainder of the militia forces should be demobilized by June 2005.

The ambassador also addressed the importance of confronting the growing narcotics trade. He said the government would have to provide alternative livelihoods for those who are dependent on the drug trade, pursue strict policies of crop eradication and law enforcement, and destroy the opium labs that create a demand for the crop.

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

Transcript: Armitage Thanks Australia for Contributions in Afghanistan, Iraq

(Deputy secretary also discusses North Korea, war on terrorism)

The United States is very pleased by Australia's contributions in Afghanistan and Iraq, Deputy Secretary of State Richard Armitage said in an interview with The Australian newspaper October 19.

"We're delighted with the contribution that Australia has made and continues to make," he said. Armitage noted in particular Australia's commitment to train and equip 158 Fijian soldiers to help provide security for U.N. workers in Iraq.

Regarding North Korea, Armitage said that he has had discussions with China and Japan about the timing of the next round of the Six-Party Talks involving North Korea, South Korea, China, Japan, Russia and the United States.

The deputy secretary said North Korea appears to be trying to delay the next round of talks until after the U.S. elections. But, he said, a change in U.S. leadership would not affect the U.S. position on denuclearization of the Korean Peninsula.

"I think they have miscalculated the importance of seeing a change here in Washington," he said.

Armitage said the United States has held bilateral talks with North Korea recently, but only within the framework of the Six-Party Talks.

"We believe the best possibility for a solution is to keep all the people who have equities equally involved and equally informed; it's why we like our talks inside the framework of the six-party talks," he said.

When asked if terrorists have been targeting Australians more since the removal of Saddam Hussein's regime, Armitage recalled the October 2002 bombings in Bali, Indonesia that took the lives of over 200 civilians.

That attack "had nothing to do with Iraq," he said. "It had to do with people who are not inclined to have you enjoy your way of life. You are a threat to them because of who you are and what you believe in. I don't see the evidence that things are less safe now for Australians. They were unsafe well before Iraq. Bali tragically proved that."

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Defense Department Report, October 21: Abu Ghraib, Paul Nitze

(Army sergeant sentenced for prison abuse; tribute to Nitze)

ARMY SERGEANT CONVICTED, SENTENCED FOR ABU GHRAIB ABUSE

Army Staff Sergeant Ivan Fredrick will have his military rank reduced to that of a private, forfeit his pay and allowances, receive a dishonorable discharge and be confined for eight years for his role in abusing Iraqis at the Abu Ghraib prison in Baghdad, Iraq.

The court martial of Frederick ended October 21, when a military judge in Baghdad announced the terms of his sentence.

As a result of a pre-trial agreement, Frederick will serve only eight years of his 10-year sentence in confinement.

Frederick pleaded guilty to conspiracy, dereliction of duty, mistreatment of detainees, assault on a detainee and commission of an indecent act, according to information released by the U.S. Central Command.

RUMSFELD PAYS TRIBUTE TO PAUL NITZE

Defense Secretary Donald Rumsfeld saluted former arms control official and Navy Secretary Paul Nitze, who died October 20 at the age of 97, as "an architect of the strategy that defended America and the free world through the decades-long struggle against the Soviet Empire."

Rumsfeld said Nitze's "keen intellect and driving energy helped to give the hope of freedom to millions who were trapped behind the Iron Curtain."

Ambassador Nitze had a distinguished career serving various administrations, including service as the second director of the State Department's Policy and Planning Staff from 1950 to 1953 and as Navy secretary from 1963 to 1967.

From 1969 to 1973, during the Nixon presidency, Nitze was a member of the U.S. delegation to the Strategic Arms Limitation Talks (SALT). He went on to serve at the Pentagon as assistant secretary of defense for international affairs from 1973 to 1976.

He will also be remembered as President Reagan's chief arms control negotiator from 1981 to 1984 for the 1987 Intermediate-range Nuclear Forces Treaty. He was subsequently named a special adviser on arms control to the president and the secretary of state.

Nitze also was a co-founder of The Johns Hopkins School of Advanced International Studies in Washington.

Secretary of State Colin Powell said Nitze "was instrumental in shaping the thinking of successive generations of leaders in international affairs, both here and abroad, me included." Nitze's contributions "are so far-reaching across so many national security fields that his influence will continue to be felt long after his passing," the secretary said.

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Transcript: No Direct Bargaining with North Korea, Powell Says

(Bush administration remains committed to six-party talks)

The Bush administration will not bargain directly with North Korea, says Secretary of State Colin L. Powell.

In an October 19 interview with reporters from The Far Eastern Economic Review, Powell said the countries involved in the six-party talks -- North Korea, South Korea, Japan, China, Russia and the United States -- remain committed to a nuclear-free Korean peninsula.

"We'll have to be patient," the secretary said. "We will not chang e our policy. We will not get into a direct, bargain basement negotiation with the North Koreans because the other nations have as great a responsibility and equity as we do."

Powell noted that North Korea has "a long and well-understood history of negotiating. And as long as they think there is always something more coming, they will see if they can hold out for something more . . . ." He called direct negotiations a potential trap in which the United States would be pressured by the North Koreans to "buy back" from North Korea "something they're not supposed to have in the first place . . . ."

The Bush administration, the secretary said, is "quite confident" that North Korea was indeed "moving in the direction of enriched uranium."

"The intelligence community cannot tell you whether or not there are more weapons or not," Powell said, but he said the assumption is that Pyongyang may have one or two nuclear devices.

Powell acknowledged North Korean concerns for its own security but said security assurances can only be offered with complete removal of nuclear programs from the peninsula. "We're trying to persuade them that they have not gained either security or a better road into the future with this kind of program," he said.

Powell pointed out the president's oft-stated interest in the welfare of the North Korean people as well as the country's security.

"The president has said, 'We're not going to attack. We're not going to invade. We have no hostile intent towards you. We take no option off the table.' But we're trying to solve this diplomatically, and I still think we can," the secretary said.

Regarding China and Taiwan, Powell said the U.S. "one-China policy" has served all sides "very, very well for a very long period of time," adding that the Bush administration has "made it very, very clear that we do not support (Taiwan's) independence."

Taiwan's independence, the secretary said, "would not serve the interests of the region" and "any movement in that direction of a serious nature will, has the potential for creating a real crisis in the region, and nobody benefits from that."

Powell lauded the good cooperative relationship that has, for over four years, existed between the United States and China. "In issue after issue, time after time, we have been able to work through these matters with the Chinese," he said. "When we are unhappy about something, we tell them," Powell said, noting that the Chinese have been equally straightforward.

Powell, who will be visiting South Korea, China and Japan October 22-26, said the "readjustment" of the U.S. military "footprint" in the region, including U.S. forces now stationed on Okinawa, would be a priority topic for discussion. He called the U.S.-Japan alliance "absolutely superb."

Japan, he said, "is playing an appropriate role on the world stage," noting that the country is an economic and military power and a regional leader. Powell lauded Japan's participation in the Proliferation Security Initiative, its sending troops to Iraq, and its financial contributions to

international endeavors, including hosting donors' conferences.

"Japan is playing a role that is commensurate with Japan's position in the world," he said, predicting that Japan will be playing "a more important role internationally in the years ahead."

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Text: Bush Earmarks Funds to Destroy Chemical Warfare Agents in Albania

(Money will come from U.S. Cooperative Threat Reduction Program)

President Bush has obligated funds for the destruction of chemical warfare agents stockpiled in Albania and named the U.S. Department of Defense as the government agency to carry out the project.

The funds for the project will come from the so-called Nunn-Lugar program -- also known as the U.S. Cooperative Threat Reduction (CTR) Program -- that is aimed at dismantling weapons of mass destruction.

Following is the presidential determination as released by the White House October 21:

(begin text)

THE WHITE HOUSE
Office of the Press Secretary
October 21, 2004

Presidential Determination
No. 2005-04

October 20, 2004

MEMORANDUM FOR THE SECRETARY OF STATE

SUBJECT: Presidential Determination on Use of Cooperative Threat Reduction Funds in Albania under Section 1308 of the National Defense Authorization Act for Fiscal Year 2004

Pursuant to the authority vested in me by section 1308 of the National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) hereby determine that the obligation and expenditure of Cooperative Threat Reduction (CTR) funds for the destruction of chemical warfare agents stockpiled in Albania, will permit the United States to take advantage of an opportunity to achieve long-standing nonproliferation goals. I also determine that this project to destroy the chemical warfare agents stockpiled in Albania will be completed within a short period of time and that the Department of Defense is the entity of the Federal Government that is most capable of carrying out this project.

You are authorized and directed to transmit this determination, along with the justification and project description required by section 1308(d) to the Congress no later than 10 days after the obligation of funds for this project and to arrange for the publication of this memorandum in the Federal Register.

GEORGE W. BUSH

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

United States Helping Africa Win Its Fight Against Terrorism

(Ambassador Cofer Black pledges continued U.S. support)

By Charles W. Corey
Washington File Staff Writer

Washington -- The war against terrorism is being waged with vigor in Africa, and the United States is committed to helping African nations achieve terror-free -- and more prosperous -- societies, pledged Ambassador Cofer Black, the U.S. coordinator for counterterrorism.

Speaking in Algiers October 12 at the Second Intergovernmental High-Level Meeting on the Prevention and Combating of Terrorism in Africa, Black said, "We must all work together to combat terrorism, and we must work globally, regionally, and bilaterally" because today's terrorists operate worldwide.

"Terrorists often raise funds in one country, plan and train in another, and conduct operations in a third -- all the while communicating, recruiting, and traveling across borders," he said. "No single nation can defeat this multinational threat alone."

"African nations must find an African solution," he added. "In cooperation with each other, by sharing information, by assisting each other's legal systems, by securing mutual borders, and by making it clear that political violence is no longer acceptable, Africans can defeat terrorists and find a better way for all the African people."

America supports these efforts both morally and practically, Black said, citing President Bush's $100 million East Africa Counterterrorism Initiative as evidence of the high level of commitment of the United States.

That initiative, he said, provides key states in the Horn of Africa with training of the military forces for coastal and border security, helps build capacity for aviation security, and gives assistance for regional efforts against terrorist financing and training for police. It also includes education and outreach components to counter the influence of extremist groups, he noted.

The $7.75 million Pan Sahel Initiative provides similar assistance on the opposite side of the continent, providing training and equipment to the nations of the Sahel region to improve border security and deny the use of their territory to terrorists and criminals.

Algeria, in cooperating with the Pan Sahel Initiative partner nations of Chad, Niger, Mali and Mauritania, has demonstrated its commitment to this regional effort, he added.

Black warned however, that even though training and equipment are important, it takes more to deal with and eliminate terrorism. "Strong militaries are necessary for a government to protect its citizens against external threats, and strong law enforcement, prosecution, and judicial regimes are essential to preserve internal peace and security." But these alone are not enough to defeat terrorism, he warned.

The United States, Black said, recognizes that all nations have other priorities besides fighting terrorism -- economic development, combating AIDS, good governance, health care, and alleviating poverty -- but they must not "be used as excuses to bow out of the struggle against terrorism."

"Terrorists," he reminded everyone, "are not born terrorists. Terrorists choose the way of violence because they believe something is lacking in their lives. ... Poverty does not create terrorists, though it is likely a factor in whether an alienated young person turns to violence."

"In fact, the struggle against terrorism is also in part the struggle for a better society. Success in improving the lives of the people is success against terrorism. ... When people are less desperate, they will be better able to resist the lures of money and status that terrorists promise to their recruits. So we must work together to improve the lives of the people," he explained.

He reminded his audience that Africa is no stranger to terrorism: "In 1998, the United States was again the victim of terrorism in Africa. Although the U.S. was the apparent target, thousands of innocent Kenyan and Tanzanian citizens were also victims."

Africa has fought back, he said. Algeria has suffered from attacks by terrorists since the 1990s, but the government persevered and now the terrorists are in retreat. In Uganda, he pointed out, the Lord's Resistance Army "is also losing headway. The government of Uganda has combined military strength with offers of amnesty to move forward in defeating the terrorists."

Black expressed hope that the African Union's Center for Study and Research on Terrorism can be the beginning of a new forum for cooperation and mutual assistance among African states and their partners in the international community.

With the aid of international institutions (like the United Nations), functional organizations (like the International Civil Aviation Organization), and regional and sub-regional groups (like the African Union), countries of the world, he said, can join together to take the necessary actions to defeat the terrorists, wherever they are.

"We can prevent and disrupt terrorist activity by working to secure our borders, control illegal immigration, strengthen customs enforcement, and develop strong legal and financial regulatory systems to criminalize terrorism and terrorism finance. We can marshal our shared resources ... to deter terrorists from targeting weaker states or from using them for safe havens or fund raising. And by sharing information ... we can bring terrorists to justice," he said.

(The Washington File is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Comprehensive U.S. Program Aids Fight Against Terrorism Abroad

(Anti-Terrorism Assistance helps countries meet U.N. standards, protects people, homeland)

By Rebecca Ford Mitchell

Washington File Staff Writer

Washington -- As Indonesia has already discovered, a U.S. program is available to help law enforcement authorities worldwide address the unique challenges posed by terrorism.

On October 15, Indonesian prosecutors brought new terrorist charges against a militant cleric arrested two years ago for his role in the bombing of two nightclubs in Bali that killed more than 200 people. Earlier in October, the Indonesian police announced the arrest of a sixth suspect in the September 9 terrorist car bombing of the Australian Embassy in Jakarta, an attack that killed nine and injured over 170 persons. That man is also suspected of masterminding the December 2003 bombing of a McDonald's restaurant.

Overall, Indonesia's premier counterterrorism police unit, Task Force 88, is credited with investigations leading to more than 110 arrests of terrorist suspects since 2002. That was when, following the Bali bombings, the Indonesian government requested assistance from the U.S. Department of State's Anti-Terrorism Assistance (ATA) program.

Approximately 45 Asian, African and Middle Eastern nations, most having suffered repeated terrorist incidents, have used ATA training to detect and prevent terrorist activities within their borders.

"Most countries have the will to fight terrorism. ATA's mission is to help them with the skills needed to do it," said Joe Morton, director of the Diplomatic Security Service, which oversees ATA.

The program offers comprehensive counterterrorism training, equipment, and skill assistance. Through it, more than 36,000 foreign law enforcement and security officers from 130 countries have received instruction in over 200 separate courses ranging from surveillance, bomb detection and crime scene investigation to crisis management, hostage negotiations and protection

of important infrastructures or local and visiting dignitaries.

Collaborative consultations also are offered in areas as diverse as advanced forensics, boarding of suspect ships and kidnapping response.

The ATA program is intentionally flexible so it can be tailored to the needs of the country receiving assistance, with the State Department drawing upon staff expertise from such agencies as the FBI, U.S. Customs and Border Patrol, the Transportation Security Administration, the Coast Guard and the Bureau of Alcohol, Tobacco and Firearms to conduct various courses.

U.S. postal inspectors, for example, give instruction on detecting life-threatening material sent through the mail.

Greater effectiveness against terrorists overseas not only protects the citizens of these countries but also those of the United States living both abroad and at home.

ATA Director John Rendeiro says that the program goes beyond skill training to encompass broader values. "Effective practices involve much more than raiding a hideout or sifting through wreckage to identify the signature left by a bomb maker, although those skills are important and we do teach them," he said.

"They also involve making sound judgments at every level of a society's justice system on issues that we all struggle with. How can we protect the safety of airline travelers without unfairly profiling every passenger? How can we protect against suicide murderers who sometimes disguise themselves as pregnant women without strip-searching every female entering a potential target area? What can a police department do if it suspects terrorists are using a place of worship, elementary school, or mental hospital to store explosives? These are the kind of difficult but real-world scenarios facing law enforcement in many parts of the world," he explained.

Rendeiro believes that ATA has a part to play in changing entrenched attitudes toward civil and human rights.

"The entire police structure of post-apartheid South Africa, for example, had to be transformed into an investigative institution that did not rely heavily on coerced confessions to achieve its objectives," he said. "Iraq's police institutions are facing the same challenge today, and they will succeed -- but it won't be overnight or without hard work."

"Many nations that have transitioned from authoritarian governments have had to reorient their security forces to function in a democracy -- a challenge that can be much tougher than obtaining better equipment and tactics," Rendeiro added. "ATA training is just one piece of that puzzle."

Currently, ATA has long-term, in-country training programs in Kenya, Afghanistan, Pakistan, Indonesia and Colombia. In other nations, assistance is either offered on a short-term basis or the trainees are brought to the United States for courses.

After the September 11, 2001, terrorist attacks on the United States, the U.N. Security Council quickly and unanimously passed a resolution requiring all governments to develop strategies to meet global standards to fight terrorism. ATA has become a prominent partner in helping nations meet that goal.

Although it has been in existence since 1983, its budget has more than tripled over the last three years to nearly $100 million.

Based on its record of success, ATA was invited to assess vulnerabilities of the recent Olympic Games in Greece and of the Pan American and Commonwealth Games, all of which affected the security of many nations.

"The end game," Rendeiro said, "is keeping their people and our people safe by giving other countries the capability to combat terrorism."

"Most of the hard work is done by the dedicated citizens of each nation," he said. "But ATA, and other U.S. programs like it, show our brothers and sisters in law enforcement that we support them, that we struggle with many of the same questions, and that we value and honor their dedication in our shared struggle against terrorism."

(The Washington File is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: United States Lends Support for Two Hotel Projects in Uzbekistan

(Overseas Private Investment Corporation provides $590,000 in political risk insurance)

The U.S. Overseas Private Investment Corporation (OPIC) will provide $590,000 in political risk insurance for two hotel projects in Uzbekistan, OPIC announced October 20.

The OPIC announcement follows:

(begin text)

Overseas Private Investment Corporation
Washington, D.C.
October 20, 2004

U.S. SMALL BUSINESS USES OPIC INSURANCE

FOR TWO HOTEL PROJECTS IN UZBEKISTAN

WASHINGTON, D.C. - A U.S. small business will use political risk insurance from the Overseas Private Investment Corporation (OPIC) to upgrade a three-star hotel in Uzbekistan and complete construction of another, helping the country draw a new generation of tourists to its Silk Road attractions, OPIC President and CEO Dr. Peter Watson announced today.

OPIC will provide $590,000 in insurance to O&S Consulting of Gig Harbor, Washington, for improvements to the Hotel Malika in Tashkent, including upgrades to its satellite and security systems, parking and banquet facilities, and construction of a conference room; and to complete construction of another Hotel Malika, in Khiva. The Hotel Malika in Tashkent and the Hotel Malika in Khiva are owned by Takoma Ltd. and Khiva Malikasi, respectively, both Uzbek-American joint venture companies.

"Uzbekistan, located along what was once the main part of the historic Silk Road and home to many ancient monuments and natural attractions, has the potential to become an international tourist destination. These two hotels are well-positioned to take advantage of Uzbekistan's steady flow of tourists, who are attracted by affordable hotel rates but are looking for accommodations with Western standards," Dr. Watson said. "OPIC is pleased to support a U.S. small business in helping further develop the tourism industry in Uzbekistan."

OPIC was established as an agency of the U.S. government in 1971. It helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers.

OPIC's political risk insurance and financing help U.S. businesses of all sizes invest in more than 150 emerging markets and developing nations worldwide. Over the agency's 32-year history, OPIC has supported $150 billion worth of investments that have helped developing countries to generate over 690,000 host-country jobs. OPIC projects have also generated $66 billion in U.S. exports and created more than 257,000 American jobs.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: U.S. Loan Helps Establish Manufacturing Facility in Azerbaijan

(Baku Oil Tools forms joint venture with Azerbaijan State Oil Company)

The U.S. Overseas Private Investment Corporation (OPIC) will provide a $1.2 million loan to help establish a new manufacturing facility for oil field equipment in Azerbaijan, OPIC announced October 19.

Baku Oil Tools will make perforating charges at the facility as part of a joint venture with the State Oil Company of Azerbaijan Republic, according to an OPIC statement. Perforating charges are explosive devices used to unblock or rehabilitate existing wells.

The OPIC statement follows:

(begin text)

Overseas Private Investment Corporation
Washington, D.C.
October 19, 2004

U.S. SMALL BUSINESS USES OPIC LOAN TO PROVIDE

OIL FIELD EQUIPMENT IN AZERBAIJAN

WASHINGTON, D.C. - A U.S. small business will use a loan from the Overseas Private Investment Corporation (OPIC) to establish a new oil field equipment manufacturing facility in Azerbaijan, helping that country update its oil and gas infrastructure and take advantage of its significant potential in the sector, OPIC President and CEO Dr. Peter Watson announced today.

OPIC will provide a $1.2 million loan to Baku Oil Tools (BOT), an oil field equipment company owned by an American citizen, for the establishment of a new manufacturing facility in Baku, as part of a joint venture with the State Oil Company of Azerbaijan Republic. Perforating charges, used to unblock or rehabilitate existing wells, will be made at the facility and sold to oil and gas companies operating in Azerbaijan. BOT will be the only local manufacturer of perforating charges in the country.

"This project will both provide Azerbaijan the most advanced oil field equipment and manufacturing in the industry and help to move the industry from government control to the private sector," Dr. Watson said. "It will also enable Azerbaijan to take advantage of the significant potential that exists in the oil and gas exploration sector throughout the Caspian Sea region."

OPIC was established as an agency of the U.S. government in 1971. It helps U.S. businesses invest overseas, fosters economic development in new and emerging markets, complements the private sector in managing risks associated with foreign direct investment, and supports U.S. foreign policy. Because OPIC charges market-based fees for its products, it operates on a self-sustaining basis at no net cost to taxpayers.

OPIC's political risk insurance and financing help U.S. businesses of all sizes invest in more than 150 emerging markets and developing nations worldwide. Over the agency's 32-year history, OPIC has supported $150 billion worth of investments that have helped developing countries to generate over 690,000 host-country jobs. OPIC projects have also generated $66 billion in U.S. exports and created more th an 257,000 American jobs.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: U.S. Awards $75 Million to Hydrogen Fuel Research Projects

(Work expected to boost U.S. leadership in hydrogen technology)

U.S. Department of Energy (DOE) Secretary Spencer Abraham has announced the selection of more than $75 million in research projects to support President Bush's hydrogen fuel initiative, according to an October 19 DOE press release.

The research projects address major technical and economic hurdles in renewable and distributed hydrogen-production technologies that must be overcome to make hydrogen-powered cars a reality.

"The projects we are announcing today highlight the emphasis that the department has placed on renewable and distributed production of hydrogen. They will move the nation toward advanced technologies to make and deliver safe, affordable hydrogen for fuel cell powered vehicles," Abraham said.

The projects include several renewable hydrogen-production technologies powered by the sun and establish more robust programs in near-term distributed hydrogen-generation appliances that can be sited at existing gasoline stations. Such appliances include small-scale natural gas reformers, which remove the element hydrogen from natural gas, and electrolyzers, which use electricity to modify chemicals.

Work resulting from the awards is expected to enhance U.S. leadership in hydrogen technology.

Text of the DOE press release follows:

(begin text)

Department of Energy
Press release, October 19, 2004

DOE Awards $75 Million in Research Grants in Support of President Bush's Hydrogen Fuel Initiative

WASHINGTON, DC -- Secretary of Energy Spencer Abraham today announced that the department has selected over $75 million in research projects to support the President's Hydrogen Fuel Initiative. In last year's State of the Union address, President Bush communicated his vision that, "the first car driven by a child born today could be powered by hydrogen, and pollution-free." The research projects announced today address major technical and economic hurdles in renewable and distributed hydrogen production technologies that must be overcome to make the President's vision a reality.

"Hydrogen from diverse domestic resources has the long-term potential to deliver greater energy independence by reducing America's reliance on foreign sources of energy, Secretary Abraham said. "The projects we are announcing today highlight the emphasis that the department has placed on renewable and distributed production of hydrogen. They will move the nation toward advanced technologies to make and deliver safe, affordable hydrogen for fuel cell powered vehicles."

The proposals selected are a key factor in moving forward and also address major recommendations from the recent National Research Council (NRC) Report "The Hydrogen Economy: Opportunities, Costs, Barriers and R&D Needs," including the NRC's call for shifting more hydrogen production work towards more exploratory research on long-term sustainable, carbon-free pathways. Projects announced today include several renewable hydrogen production technologies powered by sun.

The projects selected also establish more robust programs in near-term distributed hydrogen generation appliances such as small-scale natural gas reformers and electrolyzers that can be sited at existing gasoline stations. This addresses another NRC recommendation to use already existing natural gas pipelines and electricity transmission and distribution systems which already exist.

These small scale technologies can also make use of renewable resources to produce hydrogen such as bio-derived liquids and wind-based electricity.

Work resulting from the awards is expected to increase the United States' leadership in hydrogen technology. When private cost share is included, these projects come to a nearly $100 million investment in this second round of major hydrogen research funding. The projects involve 36 lead organizations and include over 80 teaming organizations. Selected organizations include academia, industry, and support by DOE national laboratories. Projects were chosen through a merit-review, competitive solicitation process.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: Large-Scale Forces Shape Local Ocean Life, Global Study Shows

(Currents, geologic upheaval, global warming affect local diversity)

In an epic research project spanning 14 years and seven continents, a research team has found that large-scale forces in the world's oceans play a pivotal role in the diversity of local species, according to an October 20 Brown University press release.

As he began the project, Jon Witman, associate professor of biology at Brown, expected to find that forces specific to a small area of ocean -- predation, species competition or disturbances such as hurricanes and landslides -- play a central role in limiting the number of species found there.

Instead, he and his team found that species diversity in local areas, no bigger than a half-mile square, was directly proportional to species diversity in the wider region, which can span thousands of square miles.

Witman believes local interactions such as storms and predators exert a strong influence on biodiversity, but he now sees that regional forces are critical to maintaining species variation. That finding has broad implications for conservation efforts.

Large-scale influences include currents that disperse larvae across hundreds of miles or new species arising from geological upheaval and biotic isolation millions of years ago.

Global warming and pollution are regional forces that can impact local diversity. "The work is a wake-up call," Witman said. "We need to think about regional processes if we want to preserve biodiversity."

The results of the project are published in the current early online edition of the Proceedings of the National Academy of Sciences. The National Science Foundation primarily funded the work.

Text of the Brown University press release follows:

(begin text)

Brown University
Press release, October 20, 2004

PROVIDENCE, R.I. -- In a groundbreaking, globetrotting study of sea life in shallow waters, a research team led by a Brown University marine ecologist has found that the richness of species diversity in a small patch of ocean is powerfully shaped by far-away forces.

Jon Witman, associate professor of biology at Brown, said this finding was a surprise. At the start of the project, Witman expected to find that forces specific to a small area of ocean -- predation, species competition and disturbances such as hurricanes or landslides -- would play a central role in limiting the number of species found there. But Witman and his team found that species diversity in local areas, no bigger than a

half-mile square, was directly proportional to species diversity in that region, which can span thousands of square miles. Researchers came to this conclusion after examining 1,500 photographic samples taken of invertebrates clinging to rock walls in every corner of the world.

For example, Witman and his team sampled five sites from Maine to Massachusetts and found anywhere from 26 to 51 species. This reflects the comparatively low marine diversity in the Gulf of Maine. In contrast, in the warm, teeming waters off of the Palau Islands near the Philippines, divers counted as many as 300 species living in an area smaller than a basketball court. This reflects the high level of diversity found in Micronesia. With a few exceptions, these patterns held true around the globe.

Witman believes that local interactions, such as storms and predators, still exert a strong influence on biodiversity, but the associate professor in the Department of Ecology and Evolutionary Biology now sees that regional forces are critical to maintaining species variation. These large-scale influences include currents that disperse larvae across hundreds of miles or the creation of new species caused by geological upheaval and biotic isolation millions of years ago. Global warming and pollution are other regional forces that can impact local diversity. "The work is a wake-up call," Witman said. "We need to think about regional processes if we want to preserve biodiversity."

Witman said results from the project, published in the current early online edition of the Proceedings of the National Academy of Sciences, have implications for conservation efforts.

Governments or non-profits interested in maintaining biodiversity in the ocean -- or on land -- shouldn't simply create single preserves or parks. Instead, Witman said, they should create as many as possible across a broad area. Of particular importance, he said, is safeguarding "source areas" for high biodiversity that act as wellsprings of eggs, seeds or vital nutrients or that provide important habitat for critical species. While scientists know that tropical coral reefs and the Amazon rainforest act as source areas, Witman said more areas must be identified.

"This is particularly true in the marine environment," he said. "We don't know much about source pools. We need a lot more research in this area."

The project focused on invertebrate species found in shallow water, such as sponges, corals, mollusks, worms, barnacles, anemones, urchins and sea fans. These animals were studied in one habitat: flat, vertical rock walls, such as ones found along reefs, in fjords, or in other parts of coastline. Witman said the choice was practical: These invertebrates can't move, so they could be counted. And rock walls can be found from the poles to coral reefs and leave few places for creatures to hide, so estimates would be comparable and highly accurate.

To get a true snapshot of the diversity of these species around the world, Witman and his team chose 12 distinct biogeographic regions and randomly sampled at a total of 49 sites within these regions, which included the Gulf of Maine, Iceland, the Northeast Pacific, the Galapagos Islands, Chilean Patagonia, the Antarctic Peninsula, the Eastern Caribbean, Southwest Africa, Southwest New Zealand, the Seychelles Islands, the Norfolk Islands and the Palau Islands.

At each site, scientists dove down 30 to 50 feet below the surface. Then they took standard-sized (18 by 24 inches) photographs of a rock wall area. They took anywhere from 18 to 200 of these photo samples at each site. Back in the lab, they examined a total of 1,500 slides and counted the species found in each frame.

The project took more than 14 years to complete. It led to another key finding: Latitude also plays a big role in local species richness. At the poles, partly due to the harsh environment and glacial scouring, there are fewer species. But moving closer to the equator, the number of species increases. While this is a long-held and widely accepted phenomenon on land, it has been brought into question in the past decade as scientists have

found a surprisingly varied array of ocean animals in Antarctica. This is the first global study to show that latitude affects species richness in shallow-water ocean animals.

The research team also included Ron Etter, a professor of biology at the University of Massachusetts--Boston and Franz Smith, a former research associate of Witman's who is currently a marine scientist in New Zealand The National Science Foundation primarily funded the work. The National Undersea Research Program, the Andrew Mellon Foundation, and the Helen and Merrill Bank Foundation also provided support.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: Genetically Modified Parasite Helps Immune System Fight Invasion

(New insights may help efforts to develop Leishmania, AIDS vaccines)

Researchers funded by the National Institutes of Health (NIH) have found an immune system cell can "remember" a parasite's attack and help the body mount a more effective defense against subsequent invasions by the same parasite.

The discovery by scientists at the Washington University School of Medicine in Missouri and the University of Pennsylvania was announced October 20 in a Washington University press release.

Published in the October issue of the journal Nature Medicine, the finding might aid efforts to develop a vaccine for Leishmania major, a parasite that infects 12 million people worldwide, causing significant death and disfigurement. It might also help efforts to develop vaccines for other pathogens, including AIDS and tuberculosis.

For the new study, immunologists infected mice with a genetically modified form of Leishmania that could be completely wiped out by the mouse immune system. After the mice cleared the Leishmania parasite, a type of immune system T cell continued to react to the parasite in the test tube. Mice who never had Leishmania and were given injections of these T cells fought off the parasite more effectively than mice that did not get the T cells.

Because T cells orchestrate the immune system's fight against other diseases, including tuberculosis and AIDS, scientists believe the new insights will be help efforts to develop other vaccines.

Leishmaniasis is found in almost 90 countries, according to the U.S. Centers for Disease Control and Prevention, most of them tropical or subtropical. An estimated 1.5 million people are newly infected each year. The disease takes different forms, one of which causes disfiguring sores; another form causes long-term organ damage and death. Further information is available at http://www.cdc.gov/ncidod/dpd/parasites/leishmania/factsht_leishmania.htm

Text of the Washington University School of Medicine press release follows:

(begin text)

Washington University School of Medicine
Press release, October 20, 2004

Genetically modified parasite lets researchers probe immune system's memory

St. Louis, October 20, 2004 -- Researchers at Washington University School of Medicine in St. Louis and the University of Pennsylvania have found an immune system cell can "remember" a parasite's attack and help the body mount a more effective defense against subsequent invasions by the same parasite.

The finding, published in the October issue of Nature Medicine, will likely aid efforts to develop a vaccine for Leishmania major, a parasite that infects approximately 12 million people worldwide, causing significant death and disfigurement. It may also help efforts to develop vaccines for other pathogens including AIDS and tuberculosis.

Scientists have known that successful recovery from Leishmania infection immunizes humans and animals against subsequent infection. But previous experiments led researchers to suspect that this immunity resulted from the presence of a very small population of parasites that remained in the host even after full recovery. Loss of this minimal parasite remnant seemed in some studies to result in loss of immunity.

For the new study, immunologists at the University of Pennsylvania infected mice with a genetically modified form of Leishmania created by microbiologists at Washington University School of Medicine. The modified Leishmania lacks an enzyme required for DNA synthesis and can be completely wiped out by the mouse immune system.

Researchers found that after the mice had cleared the Leishmania parasite, a type of T cell -- the CD4+ central memory T cell -- still reacted to the parasite in the test tube. Mice who never had Leishmania and were given injections of these T cells fought off the parasite more effectively than mice that didn't get the T cells.

"This partial immunization suggests that we may need to look at generating large populations of these memory T cells at the time of vaccination," says study coauthor Stephen Beverley, Ph.D., the Marvin A. Brennecke Professor and head of the Department of Molecular Microbiology.

Researchers also found evidence that another class of T cells may stay primed to fight a new infection when a small remnant population of parasites persists. Beverley speculates that the presence of this second type of T cell, along with the central memory T cell, may be key to providing full ----- protection.

Senior investigator Phillip Scott, Ph.D., professor of microbiology and immunology at the School of Veterinary Medicine at the University of Pennsylvania, has conducted additional experiments that showed central memory T cells can maintain their "memory" of Leishmania and respond to new infections at least 5 months after initial infection.

Because T cells orchestrate the immune system's fight against other diseases, including tuberculosis and AIDS, scientists believe the new insights will be help efforts to develop other vaccines.

"We are so much better at understanding how the immune system responds than we are at making a vaccine," Beverley notes. "These new results may help us better direct the immune response toward long-term vaccination."

Zaph C, Uzonna J, Beverley SM, Scott P. Central memory T cells mediate long-term immunity to Leishmania major in the absence of persistent parasites. Nature Medicine, October 2004, pp. 1104-1110. Funding from the National Institutes of Health.

Washington University School of Medicine's full-time and volunteer faculty physicians also are the medical staff of Barnes-Jewish and St. Louis Children's hospitals. The School of Medicine is one of the leading medical research, teaching and patient care institutions in the nation, currently ranked second in the nation by U.S. News & World Report. Through its affiliations with Barnes-Jewish and St. Louis Children's hospitals, the School of Medicine is linked to BJC HealthCare.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

***** -----

Text: International Consortium Describes Complete Human Genome Sequence

(Researchers trim count of human genes from 35,000 to 20,000-25,000)

The International Human Genome Sequencing Consortium published its scientific description of the finished human genome sequence October 20.

The description reduces the estimated number of human protein-coding genes from 35,000 to 20,000-25,000, a surprisingly low number for our species, according to a press release from the National Institutes of Health (NIH).

The consortium is led in the United States by the National Human Genome Research Institute (NHGRI), which is part of the NIH, and the Department of Energy (DOE). The International Human Genome Sequencing Consortium includes scientists at 20 institutions in France, Germany, Japan, China, Great Britain and the United States.

In the paper appearing in the October 21 issue of the journal Nature, researchers describe the final product of the Human Genome Project, the 13-year effort to read information encoded in human chromosomes, a project completed in 2003.

The Nature paper provides scientific evidence that the genome sequence produced by the Human Genome Project is sufficiently accurate to perform sensitive analyses such as focusing on the number of genes, the duplications involved in disease, and the birth and death of genes over the course of evolution.

"Only a decade ago, most scientists thought humans had about 100,000 genes. When we analyzed the working draft of the human genome sequence three years ago, we estimated there were about 30,000 to 35,000 genes, which surprised many. This new analysis reduces that number even further and provides us with the clearest picture yet of our genome," said NHGRI Director Francis Collins. "The availability of the highly accurate human genome sequence in free public databases enables researchers around the world to conduct even more precise studies of our genetic instruction book and how it influences health and disease."

A central goal of the effort to analyze the human genome is to identify all genes, which are generally defined as stretches of DNA that code for particular proteins. According to the new findings, researchers have confirmed the existence of 19,599 protein-coding genes in the human genome and identified another 2,188 DNA segments that are predicted to be protein-coding genes.

"The analysis found that some of the earlier gene models were erroneous due to defects in the unfinished, draft sequence of the human genome," said Jane Rogers, head of sequencing at the Wellcome Trust Sanger Institute in Hinxton, England. "The task of identifying genes remains challenging, but has been greatly assisted by the finished human genome sequence, as well as by the availability of genome sequences from other organisms, better computational models and other improved resources."

Describing the human genome sequence as "finished" doesn't mean it is perfect. There are 341 gaps in the finished human genome sequence, in contrast to 150,000 gaps in the working draft announced in June 2000. Closing the gaps will require more research and new technologies, experts say.

More than 2,800 researchers who took part in the International Human Genome Sequencing Consortium share authorship on the Nature paper. Even more detailed annotations and analyses have been published for chromosomes 5, 6, 7, 9, 10, 13, 14, 19, 20, 21, 22 and Y. Publications describing the remaining 12 chromosomes are forthcoming.

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Transcript: White House Daily Briefing, October 21

(President's schedule, Iraq)

White House Press Secretary Scott McClellan briefed reporters on Air Force One October 21 as they accompanied President Bush on a campaign trip to Pennsylvania.

Following is the transcript of the White House briefing:

(begin transcript)

THE WHITE HOUSE
Office of the Press Secretary
(Downingtown, Pennsylvania)
October 21, 2004

PRESS GAGGLE BY SCOTT McCLELLAN

Aboard Air Force One
En Route Philadelphia, Pennsylvania

12:23 P.M. EDT

MR. McCLELLAN: Good afternoon. Let me begin with the President's day. He had his usual briefings this morning, back at the White House. Then he had the signing of the Garrett Lee Smith Memorial Act, aimed at preventing teen suicide. You all are aware of that.

Then he had some interviews with some Hispanic television networks, Telemundo and Univision. I think he did two interviews with two different Univision programs. And then he also had the Telemundo one. And then he had some tapings at the White House.

QUESTION: Do you know when those Hispanics air?

MR. McCLELLAN: Let me try and get you that information. Let me just double check that. I think one of the programs was Sabado, which airs on, I think, Saturday nights.

And then we've got the first event in Downingtown, Pennsylvania, where the focus will be on health care. I expect the President will talk about the practical reforms he is proposing for his second term to make health care more affordable and accessible. And I expect he will contrast his agenda with Senator Kerry's views, and talk about the stark differences there, both in terms of the ideas, as well as the philosophy behind those ideas. And then we go to Hershey, Pennsylvania, where he'll make remarks this afternoon, as well. Oh, he's got the meeting with the Archbishop of Philadelphia, as well, in Downingtown.

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Transcript: State Department Noon Briefing, October 21

(Powell/death of Paul Nitze, Cuba, Iran, Iraq, South Korea, Belarus, Cyprus, China, North Korea, United Nations)

State Department Spokesman Richard Boucher briefed the press October 21.

Following is the transcript of the State Department briefing:

(begin transcript)

U.S. Department of State
Daily Press Briefing Index
Thursday, October 21, 2004
12:35 p.m. EDT

Briefer: Richard Boucher, Spokesman

DEPARTMENT
-- Statement by Secretary Powell on the Death of Paul Nitze

CUBA
-- Reports of Injuries to Fidel Castro

-- U.S. Concerns About the Situation in Cuba Under the Rule of Castro
-- Efforts to Support Democracy in Cuba

IRAN
-- Meetings Between Europeans and Iran on Iranian Uranium Enrichment
-- Necessity of Iran to Fully Meet its Obligations & Board Requirements
-- November 25 International Atomic Energy Agency Meeting

IRAQ
-- Role of the United Kingdom in Stabilizing and Assisting Iraq/Statement by Defense Minister Hoon Regarding Redeployments
-- United Nations Role in Elections/Security Arrangements
-- Decision by Fiji to Contribute to Security Force
-- Discussions on Security Arrangements for Elections
-- Issuance of Travel Warning/Use of Royal Jordanian Airlines
-- Security Arrangements for Election Monitors
-- Efforts of the Iraqi Electoral Commission
-- Query Regarding U.S. Funds for Iraqi Elections

SOUTH KOREA
-- Secretary Powell's Meeting with Defense Minister Yoon

BELARUS
-- Presidential Signing of Belarus Democracy Act
-- U.S. Concerns about Situation in Belarus
-- Sanctions/Support for Civil Society, Democracy & Independent Media
-- Report to Congress/Consideration of Next Steps

CYPRUS
-- Steps to Ease the Isolation of Turkish Cypriots
-- Query Regarding U.S. Weapons in Cyprus
-- Query Regarding Visit of Transportation Security Administration Officials

CHINA
-- Formal Arrest of Chinese Journalist Working for the New York Times
-- U.S. Discussions with China
-- Implications for Journalists Working in China/Role of a Free Press

NORTH KOREA
-- Contact between North Korea & U.S. Representatives in New York City
-- Monitoring of Food Assistance by Humanitarian Organizations
-- Use of Various Channels of Communication

UNITED NATIONS
-- Discussion of Ban on Human Cloning/U.S. Support for Resolution by Costa Rica

U.S. DEPARTMENT OF STATE
DAILY PRESS BRIEFING

THURSDAY, OCTOBER 21, 2004
(ON THE RECORD UNLESS OTHERWISE NOTED)

12:35 p.m. EDT

MR. BOUCHER: Good afternoon, ladies and gentlemen. I don't have any new statements or announcements. I wanted to make sure that everybody saw the statement by the Secretary on the death of Paul Nitze last night. And if anybody doesn't have that, make sure we have a chance to get it to you. It's, I think, a deeply felt passing for all of us, but especially for the Secretary, who has worked with him many times over the years.

That's about all I had to note at the beginning. I'd be glad to take your questions.

QUESTION: I pass.

QUESTION: Did you hear that Castro fell?

MR. BOUCHER: We heard that Castro fell. There are, I think, various reports that he broke a leg, an arm, a foot, and other things, and I'd guess you'd have to check with the Cubans to find out what's broken about Mr. Castro. We, obviously, have expressed our views about what's broken in Cuba.

QUESTION: Do you wish him a speedy recovery?

MR. BOUCHER: No.

QUESTION: No? Do you wish him a speedy demise?

MR. BOUCHER: I'll leave the man's health alone. I think our view --

QUESTION: Would you have preferred that his injuries be more life threatening? (Laughter.) People have come out, including your former boss --

MR. BOUCHER: I know.

QUESTION: -- and said things like, well, we hope the actuarial tables catch up with Mr. Castro. Are you disappointed that he wasn't more seriously wounded?

MR. BOUCHER: I'm not going to express that kind of disappointment. I think, you know, the event speak for themselves. The situation in Cuban is of our primary concern. The situation of Mr. Castro is of little concern to us, but unfortunately of enormous importance to the people of Cuba, who have suffered very long under his role. And we think that the kind of rule that Cuba has had should be ended.

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Text: Belarus Democracy Act Will Help Cause of Freedom, Bush Says

(New law applies sanctions, provides funding for parties, NGOs, media)

President Bush signed into law October 20 a bill that authorizes assistance for democratic opposition movements in Belarus and also applies economic sanctions against the Central European country.

"At a time when freedom is advancing around the world, Aleksandr Lukashenko and his government are turning Belarus into a regime of repression in the heart of Europe, its government isolated from its neighbors and its people isolated from each other," Bush said in a statement.

The Belarus Democracy Act of 2004, which was passed unanimously by both the U.S. House of Representatives and the U.S. Senate, provides assistance for Belarusian political parties, nongovernmental organizations (NGOs) and independent media while prohibiting U.S. government agencies from providing loans and investment to the Belarus government, except for humanitarian goods.

On October 17, the Belarusian people voted in both parliamentary elections in Belarus and in a referendum on allowing Lukashenko to run for president for a third term in 2006.

President Bush said that the referendum campaign and concurrent Parliamentary elections were conducted in a "climate of abuse and fear." He noted that the Organization for Security and Cooperation in Europe (OSCE) and other observers "have determined that this victory was achieved by fraudulent means."

"The fate of Belarus will rest not with a dictator, but wi th the students, trade unionists, civic and religious leaders, journalists, and all citizens of Belarus claiming freedom for their nation," said Bush.

Following is President Bush's statement on the Belarus Democracy Act of 2004:

(begin text)

THE WHITE HOUSE
Office of the Press secretary
October 20, 2004

STATEMENT BY THE PRESIDENT

The Belarus Democracy Act of 2004, which I signed into law earlier today, will help the cause of freedom in Belarus. This bipartisan legislation

demonstrates America's deep concern over events in Belarus and a commitment to sustain those Belarusians who must labor in the shadows to return freedom to their country.

At a time when freedom is advancing around the world, Aleksandr Lukashenka and his government are turning Belarus into a regime of repression in the heart of Europe, its government isolated from its neighbors and its people isolated from each other. We will work with our allies and partners to assist those seeking to return Belarus to its rightful place among the Euro-Atlantic community of democracies. There is no place in a Europe whole and free for a regime of this kind.

On October 17, Mr. Lukashenka claimed victory for referendum results that swept away constitutional limits on his term in office. The referendum campaign and concurrent Parliamentary elections were conducted in a climate of abuse and fear. OSCE and other observers have determined that this victory was achieved by fraudulent means.

These actions are the latest in a series of measures designed to stifle independent voices within Belarus. Since 2001, Belarusian authorities have systematically repressed independent media, trade unions, civic organizations, and religious congregations. The Lukashenka regime has repeatedly responded to the peaceful expression of opposition with beatings, arrests and, in a number of cases, the disappearance of opposition leaders.

The Belarus Democracy Act will help us support those within Belarus who are working toward democracy. We welcome this legislation as a means to bolster friends of freedom and to nurture the growth of democratic values, habits, and institutions within Belarus. The fate of Belarus will rest not with a dictator, but with the students, trade unionists, civic and religious leaders, journalists, and all citizens of Belarus claiming freedom for their nation.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: U.S. Drug Agency Breaks International Money, Drug Ring

(DEA arrests 83 suspects as a result of Operation Money Clip)

The U.S. Drug Enforcement Agency (DEA) announced the arrests of 83 suspects across the nation in connection with an international money-laundering and drug-trafficking organization. DEA announced the results of Operation Money Clip October 19.

The multi-jurisdictional operation led to scores of arrests and the seizure of almost $4.5 million in currency, more than 2,500 kilograms of cocaine, almost 18,000 kilograms of marijuana and significant quantities of other illegal drugs. A DEA press release describes the operation as part of the agency's strategy to focus investigations on abilities, methods and routes that drug traffickers use to move their money in order to track the sources and bust the trafficking patterns.

"By getting to the root of this sophisticated criminal organization, we have taken away their profits, their drugs, and arrested their key leadership," said DEA Administrator Karen P. Tandy.

The investigation began with evidence discovered in a routine traffic stop, and grew into a one-year operation resulting in arrests in Los Angeles, Chicago and Milwaukee.

Full transcript is available at http://www.usemb.se/wireless/400/index.htm

----- ***** -----

Text: U.S. Labor Dept. Awards $18.65 Million to Fight Human Trafficking

(Grants will fund services for victims, those at risk, governments)

The U.S. Department of Labor has awarded $18.65 million in grants to combat human trafficking around the world, Labor Secretary Elaine Chao announced.

The amount includes $3.75 million to implement anti-trafficking projects in Brazil, Cambodia, Moldova and Sierra Leone, and $14.9 million to fight child-labor trafficking in Africa, Latin America, the Caribbean, Asia and the Pacific, according to an October 20 Labor Department press release.

The grants will fund projects that provide employment services to adults who have been trafficked into forced labor and to women at risk of being trafficked. Projects also will support communities by improving schools and providing education, shelter and counseling to children who have been trafficked or who are at risk, and income-generating opportunities for their parents, the release said.

Grant funds will be used to work with national and local governments to improve law enforcement, map trafficking routes and implement public awareness campaigns, according to the release.

Trafficking of humans targets mostly women and children, Chao said.

The grant recipients are Catholic Relief Services, Winrock International and The Hagar Project.

Following is the text of the department's press release:

(begin text)

U.S. Department of labor
October 20, 2004

U.S. Labor Department Awards $18.65 Million in Grants in FY 2004
To Battle Adult and Child Trafficking Around the World

WASHINGTON -- U.S. Labor Secretary Elaine L. Chao today announced $18.65 million in grants to combat human trafficking around the world. The overall amount includes $3.75 million awarded to three non-government organizations to implement anti-trafficking projects in Brazil, Cambodia, Moldova, and Sierra Leone, and $14.9 million to combat trafficking of children for exploitative labor in Africa, Latin America, the Caribbean, Asia and the Pacific.

"Trafficking in human beings is an evil that targets mostly women and children, whose suffering can scarcely be imagine," said Secretary of Labor Elaine L. Chao. "President Bush and this department are committed to preventing trafficking, protecting victims and prosecuting traffickers. These projects will help save the lives of men, women and children around the world."

The projects to prevent human trafficking are being funded as part of President Bush's international Combating Trafficking in Persons initiative. In Brazil, Catholic Relief Services will provide employment services and income-generating activities for adults, mostly agricultural workers, who have been trafficked into forced labor. In addition, it will work with the national and local governments to improve law enforcement, map trafficking routes, and implement public awareness campaigns and adult education programs. Catholic Relief Services will also work in Moldova to enhance legitimate employment opportunities and related services.

In Cambodia, the department will work with The Hagar Project to develop alternative livelihoods as well as an employment program targeted at former trafficking victims and at-risk women.

In Sierra Leone, Winrock International will support community and faith-based organizations in combating child trafficking by improving

schools and providing shelter, counseling, education and skills training.

An additional $14.9 million to combat trafficking of children will support projects in the Dominican Republic, South America, Indonesia and in the sub-region of West and Central Africa. These efforts will provide direct assistance to children who either have been trafficked or who are at risk of being trafficked. Among the services to be provided are education and training opportunities for children and income generating opportunities for their parents as a means of reducing the risk that children will be trafficked. These projects will also seek to build local capacity in the targeted countries for confronting the problem of trafficking, one of the worst forms of child labor as identified by ILO Convention 182.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Text: Labor Dept. Awards $9 million for U.N. Workplace AIDS Programs

(Funds to international labor agency will target awareness, discrimination)

The U.S. Department of Labor has awarded $9 million to the U.N. International Labor Organization (ILO) to implement workplace-based HIV/AIDS programs.

The grant will fund workplace-based awareness programs and efforts to reduce workplace discrimination against people with HIV/AIDS, according to an October 20 press release.

Reduced job discrimination could encourage people with HIV/AIDS to seek testing, counseling and other services, the release said.

The department currently funds projects in more than 25 countries, according to the release.

Following is the text of the department's press release:

(begin text)

U.S. Department of Labor
October 20, 2004

U.S. Labor Department Awards $9 Million Grant to International Labor Organization to Fight HIV/AIDS in the Workplace

WASHINGTON -- U.S. Labor Secretary Elaine L. Chao today announced a $9 million grant to the International Labor Organization (ILO) to implement workplace-based HIV/AIDS programs around the world.

"In addition to being a serious health issue, HIV/AIDS is also an economic issue," said U.S. Secretary of Labor Elaine L. Chao. "Because the rate of infection is highest among the working-age population, this disease has a significant impact on the worldwide labor force."

According to the ILO, as many as 28 million workers worldwide have been lost to HIV/AIDS since the start of the epidemic. "At the current rate of infection, we will face both an economic and humanitarian crisis as the global workforce is affected, causing economic growth to slow and increasing poverty around the world," said Chao.

The grant, which is awarded by the Department's Bureau of International Labor Affairs (ILAB), is part of an on-going initiative to help stem the epidemic by using the workplace as a venue for education and prevention efforts. The Department is also focusing its efforts on working with governments, workers, and employers to decrease employment discrimination against people living with HIV/AIDS so that people may be encouraged to seek voluntary counseling, testing and other services without fear of losing their jobs.

The new $9 million grant will be used to fund programs in countries that are facing or

anticipating significant rates of infection. These countries include Burkina Faso, Cameroon, China, Indonesia, Sri Lanka, and Trinidad and Tobago.

ILAB has been funding international workplace-based HIV/AIDS projects since 2000 and has dedicated a total of $42 million to the initiative. It is currently funding projects in more than 25 countries around the world.

(end text)

(Distributed by the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

Oil Prices Unlikely to Affect U.S. Monetary Policy, Policymaker Says

(Federal Reserve governor views return to cheap oil as unlikely)

By Andrzej Zwaniecki
Washington File Staff Writer

Washington -- The Federal Reserve, the U.S. central bank, is likely to continue the current tightening of its monetary policy at a "measured" pace despite high oil prices, a member of the bank's policy-setting body says.

Speaking October 21 at a college in the southern U.S. state of Georgia, Federal Reserve Board Governor Ben Bernanke expressed confidence that the interest-rate-setting body of the Federal Reserve -- the Federal Open Market Committee (FOMC) -- will continue to watch the oil situation "carefully." He suggested, however, that monetary policy choices will depend more on inflation and growth indicators than on the movements of oil prices per se.

Bernanke said that increased oil prices, which tend to slow economic growth and increase inflationary pressure, pose hard choices for monetary policymakers. The central bank risks adding to inflationary pressure if it lowers interest rates to stimulate growth and alternatively risks exacerbating a slowdown in economic growth if it raises rates to dampen the inflationary effects of high energy costs, he said.

Bernanke said that in 2004 the increased cost of imported energy has reduced the growth in U.S. real output by one-half to three-quarters of a percentage point and that inflationary effects of the increased costs also are relatively small. Thus the Federal Reserve's future course will depend on how monetary policymakers perceive the balance between risks to their dual objectives of high employment and price stability, he said.

Bernanke said that the relatively small impact of high oil prices on inflation seen in recent months is a consequence of the U.S. public's confidence that the central bank will maintain inflation at a low level in the medium term. Thus "maintaining the public's confidence in its policies should be among the central bank's highest priorities," he said.

Nevertheless, Bernanke said that oil prices might never return to the low levels of recent years as stretched and uncertain supplies of oil and other conventional energy sources are unlikely to meet the growing demand of a rapidly expanding world economy, particularly China's and India's economies. In the long-term, market mechanisms, primarily higher prices, are likely to spur the increase in energy supplies as well as conservation and the expansion of alternative energy sources that will reduce demand for oil, he said. But the next few years may be "stressful" for energy consumers, he cautioned.

A few days earlier, Federal Reserve Chairman Alan Greenspan expressed similar views and downplayed the potential impact of spikes in oil prices on the U.S. economy.

The recessionary and inflationary pressures are likely to prove "less consequential to economic growth and inflation than in the 1970s," unless oil prices were to move to "materially higher" levels, he said October 15.

On the day Greenspan spoke, oil prices were reaching $55 per barrel in New York trading, 40 percent below the 1981 all time high in real (inflation-adjusted) terms.

The text of Bernanke's remarks may be viewed at http://www.federalreserve.gov/boarddocs/speeches/2004/20041021/default.htm

The text of Greenspan's remarks can be viewed at http://www.federalreserve.gov/boarddocs/speeches/2004/20041021/default.htm

(The Washington File is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)

----- ***** -----

U.S. Breaks Up Mexican Drug-Trafficking Organization

(83 people arrested in case involving money laundering)

By Eric Green
Washington File Staff Writer

Washington -- The United States has broken up a Mexican money-laundering and drug-trafficking organization in a case which resulted in the arrests of 83 people, according to the U.S. Drug Enforcement Administration (DEA).

In an October 19 statement, the DEA said the Mexican drug organization allegedly laundered nearly $200 million sent from various locations in the United States to Mexican targets over the course of about two years. The DEA said its investigation, code-named "Operation Money Clip," established that the drug ring distributed about 500 kilograms of cocaine, 200 pounds of methamphetamine, 20 kilograms of heroin, and 10,000 pounds of marijuana per month in that two-year period.

The money was laundered through remittance services, businesses, and foreign bank accounts, the DEA said. Money Clip, launched in 2003, was designed to focus investigations on the methods and routes used by smugglers to ship large amounts of currency from the United States to the sources of drug supply in Mexico and other foreign countries, said the DEA.

DEA Administrator Karen Tandy said the agency's operation "clearly illustrates how money fuels the drug trade, and attacking these illicit profits is the key to dismantling drug organizations." She added that by "getting to the root of this sophisticated criminal organization, we have taken away their profits, their drugs, and arrested their key leadership."

Meanwhile, in other news regarding Mexico, the U.S. Customs and Border Protection (CBP) agency announced the formal opening of two new attaché offices -- one in Mexico City, and one in Ottawa, Canada, in support of the agency's international border security operations.

In an October 20 statement, the CBP said the new offices will coordinate "smart border" activities and serve as emissaries representing CBP border-security efforts abroad.

Specifically, the offices will coordinate programs that screen cargo, conveyances, and people seeking entry into U.S. ports, before they are permitted to come in from a foreign country, the CBP said. The agency said the attaché offices will also serve as a liaison with the host country's government, providing technical assistance, fostering secure trade practices, and strengthening border-authority principles with foreign nations.

CBP Commissioner Robert Bonner said the attaché offices are an important part of his agency's plan to help protect the United States from terrorist attacks.

"In order to secure and protect America from the terrorist threat, we must create virtual borders that extend beyond our geographic perimeter and [work] to make these borders smarter," said Bonner.

(The Washington File is a product of the Bureau of International Information Programs, U.S. Department of State. Web site: http://usinfo.state.gov)