

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: First Lady's Office

Series/Staff Member: First Lady's Press Office

Subseries: Lisa Caputo

OA/ID Number: 6054

FolderID:

Folder Title:

President Clinton's Trip to Riga, Latvia, and Warsaw, Poland July 1994 [Binder]

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Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Anthony Lake to POTUS re Your Trip to Latvia, July 6 (1 page)	07/01/1994	P1/b(1) VZ 9/21/2023
002. memo	Anthony Lake to POTUS re Your Visit to Latvia (3 pages)	07/01/1994	P1/b(1) VZ
003a. briefing paper	Meeting and Signing Ceremony (3 pages)	07/01/1994	P1/b(1) VZ
003b. report	report [Released in Part] (2 pages)	06/14/1994	P1/b(1) VZ
004a. briefing paper	Working Lunch (4 pages)	07/01/1994	P1/b(1) VZ
004b. report	report [Released in Part] (2 pages)	06/17/1994	P1/b(1) VZ 9/21/2023
004c. report	report (2 pages)	06/17/1994	P1/b(1)
004d. report	report [Released in Part] (2 pages)	06/17/1994	P1/b(1) VZ 9/21/2023
005a. briefing paper	Radar Site (1 page)	07/01/1994	P1/b(1) VZ
005b. briefing paper	Troop Withdrawals (2 pages)	07/01/1994	P1/b(1) VZ
005c. briefing paper	Russian Minority (2 pages)	07/01/1994	P1/b(1) VZ
005d. briefing paper	Naval Base (1 page)	07/01/1994	P1/b(1) VZ 9/21/2023

COLLECTION:

Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lisa Caputo)
OA/Box Number: 6054

FOLDER TITLE:

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994 [Binder]

2011-1037-F

kc1151

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005e. briefing paper	Latvia Political Economic Overview (2 pages)	07/01/1994	P1/b(1) VZ 9/21/2023
005f. briefing paper	Estonia Political Economic Overview (2 pages)	07/01/1994	P1/b(1) VZ
005g. briefing paper	Lithuania Political Economic Overview (1 page)	07/01/1994	P1/b(1) VZ
006. memo	Anthony Lake to POTUS re Your Trip to Poland, July 6-7, 1994 (1 page)	07/01/1994	P1/b(1) VZ
007. memo	Anthony Lake to POTUS re Your Trip to Poland (5 pages)	07/01/1994	P1/b(1) VZ
008. briefing	Arrival Ceremonies (1 page)	07/01/1994	P1/b(1) VZ
009a. briefing paper	Meeting (4 pages)	07/01/1994	P1/b(1) VZ 9/21/2023
009b. report	report (2 pages)	04/28/1994	P1/b(1)
010. briefing	Dinner (2 pages)	07/01/1994	P1/b(1) VZ 9/21/2023
011. briefing	Wreath Laying (1 page)	07/01/1994	P1/b(1) VZ 9/21/2023
012. briefing	Ceremony (1 page)	07/01/1994	P1/b(1) VZ 9/21/2023
013a. briefing paper	Meeting (2 pages)	07/01/1994	P1/b(1) VZ 9/21/2023

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First Lady's Press Office (Lisa Caputo)
OA/Box Number: 6054

FOLDER TITLE:

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994 [Binder]

2011-1037-F
kcl151

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013b. report	report (2 pages)	06/16/1994	P1/b(1)
013c. report	report (1 page)	06/16/1994	P1/b(1)
014a. briefing paper	Meeting (3 pages)	07/01/1994	P1/b(1) VZ 9/21/2023
014b. report	report (2 pages)	06/15/1994	P1/b(1)
015. briefing	Speech (1 page)	07/01/1994	P1/b(1) VZ 9/21/2023
016. briefing	Ceremony (1 page)	07/01/1994	P1/b(1) VZ
017. briefing	Reception (3 pages)	07/01/1994	P1/b(1) VZ
018. briefing	Meeting (1 page)	07/01/1994	P1/b(1) VZ
019. briefing	Departure (1 page)	07/01/1994	P1/b(1) VZ
020a. briefing paper	US Investment (1 page)	07/01/1994	P1/b(1) VZ
020b. briefing paper	Partnership for Peace (1 page)	07/01/1994	P1/b(1) VZ
020c. briefing paper	EU Polish Relations (1 page)	07/01/1994	P1/b(1) VZ 9/21/2023

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
020d. briefing paper	Bilateral Issues (2 pages)	07/01/1994	P1/b(1) VZ 9/21/2023
020e. briefing paper	Initiatives Checklist (2 pages)	07/01/1994	P1/b(1) VZ 9/21/2023

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SECRET



**President Clinton's Trip to
Riga, Latvia
and
Warsaw, Poland
July 1994**

Lisa Caputo

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ATTACHMENTS
Initials: LC Date: 06/06/13

*Cover sheet only
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Attachment

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994

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Divider Title: **LATVIA**

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THE WHITE HOUSE

WASHINGTON

July 1, 1994

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ✓

SUBJECT: Your Trip to Latvia, July 6

Your trip to Latvia is an historic visit. While only a short stop, you will be the first American President to visit the Baltic states. This visit will include a bilateral meeting and signing ceremony with Prime Minister Birkavs and a working lunch with the three Baltic Presidents. Your open air speech at Freedom Monument is expected to be publicly viewed by perhaps as many as ten thousand people. Your public remarks will be provided separately. This briefing book contains:

SCHEDULE OF KEY EVENTS

SCOPE MEMORANDUM

ARRIVAL CEREMONY

BILATERAL AND SIGNING CEREMONY WITH PRIME MINISTER BIRKAVS

WORKING LUNCH WITH BALTIC PRESIDENTS

PRESS AVAILABILITY

SPEECH AT FREEDOM PLAZA

MEETING WITH LATVIAN POLITICAL, CULTURAL AND BUSINESS LEADERS

MEETING WITH U.S. EMBASSY STAFF

BACKGROUND INFORMATION

DECLASSIFIED

E.O. 13526

White House Guidelines, May 16, 2017

By VL NARA, Date 6/5/2023

2016-0314-M-1

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cc: Vice President
Chief of Staff

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Divider Title: **SCHEDULE OF KEY EVENTS**

SCHEDULE OF KEY EVENTS

Wednesday, July 6

ARRIVAL CEREMONY

BILATERAL AND SIGNING CEREMONY WITH PRIME MINISTER BIRKAVS

WORKING LUNCH WITH BALTIC PRESIDENTS

PRESS AVAILABILITY

MEETING WITH LATVIAN POLITICAL, CULTURAL AND BUSINESS LEADERS

FLOWER LAYING AND SPEECH AT FREEDOM PLAZA

MEET AND GREET WITH U.S. EMBASSY STAFF FROM LATVIA, ESTONIA AND LITHUANIA

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Divider Title: **SCOPE MEMORANDUM**

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THE WHITE HOUSE
WASHINGTON

July 1, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE *AL*
SUBJECT: Your Visit to Latvia

DECLASSIFIED

PER E.O. 13526

2016-0314-M-1 (1.21)

6/12/2023 VL

OVERVIEW

Your seven-hour stop in Riga July 6 represents a highly symbolic and dramatic kickoff for your third trip to Europe this year. The symbolism lies in the message you convey by the very fact of your visit: America champions the sovereignty of the Baltic states and supports their reintegration into the Western fold, rejecting any pretension of a Russian sphere of influence in the region. The drama of your visit is historical. America sheltered the flame of Baltic independence during five decades of Soviet occupation. Your arrival as the first American President to set foot on Baltic soil constitutes a decisive affirmation of the rebirth of these three small states as independent nations. The theme of the continuing consolidation of a new post-Cold War Europe will recur at every stop of your trip, from your discussions with President Walesa, through your meeting with Yeltsin in a new political "G-8" in Naples, to your walk through the Brandenburg Gate in an undivided Berlin. But your visit to Riga, climaxed by an open air speech to thousands of Baltic citizens, will underscore in a simple yet powerful way the epochal nature of the change that has come to Europe.

YOUR OBJECTIVES

- o Demonstrate our continued staunch support for the sovereignty and independence of the Baltic States.
- o Highlight the importance of the Russian troop withdrawal this summer and our role in promoting it. Seek to bridge differences between Estonia and Russia on troop withdrawal talks.
- o Emphasize the continued security and economic integration of the Baltic states as a priority U.S. goal for the future.

BACKGROUND

Support for the Independence of the Baltic Countries. You meet this objective largely by the very fact of your visit, which has already generated great excitement among the governments and

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peoples of Estonia, Latvia and Lithuania. This central message of support resonates well among the Baltic people, who were by far the most Westernized in the former USSR and are looking firmly toward Europe and North America in search of full reintegration. They have not forgotten that the U.S. never recognized the Soviet Union's occupation from 1940 to 1991; that we maintained and financed their exiled legations to Washington during those five decades; and that we promptly returned the gold reserves that we safeguarded for their eventual independence.

History has taught the people of the Baltics to fear that their periods of sovereignty will be short-lived; many are convinced that a resurgent Russia will sooner or later threaten them once again. Your meeting in Riga with the three Baltic heads of state will send a clear message that we do not recognize a Russian "sphere of influence" in the region and will demonstrate that we are not willing to countenance Russia's presence in every part of the former Soviet Union. For these reasons, the Riga stop will also resonate at home with the nearly one million Baltic-Americans who have been so vocal and active with us and the Congress in support of Baltic independence.

Highlight the U.S. Role in Russian Troop Withdrawals. The central issue of your discussions in Riga and a major topic of your outdoor speech will be our involvement in promoting the final withdrawal of Russian troops from the Baltics this summer. Russian forces are out of Lithuania and will be close to gone from Latvia by the time you arrive. Russia and Estonia are nearing the end of their negotiations; we expect to be able to take advantage of your visit and your meeting with Yeltsin four days later, to promote final agreement there, as well. Specifically, we are encouraging Estonian President Meri to give you a letter in Riga with his near-bottom-line positions on the withdrawal talks for transferral to Yeltsin four days later in Naples. Coupled with the pullout from Germany in late August, agreement on the Estonian withdrawal means that the Russian military will, for the first time since 1945, be back inside the pre-WWII borders of the former Soviet Union.

The United States has been the most influential country in convincing the Russians to leave the Baltics. Although the previous administration began the battle, you can rightly claim the lion's share of the credit. Your personal diplomacy with Yeltsin, our funding of 5,000 houses for departing Russian officers and our financial assistance to dismantle the Skrunda ABM site have all been crucial tactical contributions to the success of the withdrawal talks.

While you can credibly defend the right of the Baltic states to live without Russian troops, you should also leave an important public message with the Baltic leaders and publics: they need to live in peace with Russia. This relates to the large ethnic Russian minority that will remain in the Baltics after the troops are gone. The Balts need to treat this group with decency and work to include them in the social and political fabric of their societies. This is consistent with the approach we have

maintained since you took office. It is also good politics for our relationship with Yeltsin and Russia.

The Future of U.S.-Baltic Relations. Much of the emphasis of your visit will be placed on our actions in the past to promote Baltic independence. The third major objective of your visit should be to talk about the future. There is concern that once the Russian troops are removed, America will forget about the Baltics. You can counter that argument by spelling out the remarkably broad program of cooperation that we envision in the economic and security spheres. We have welcomed all three states into PFP and will work to make theirs a meaningful membership through a \$10 million FY-95 program to help train the nascent Baltic Peacekeeping Battalion. On the economic side, you will announce the \$50 million capitalization of the Baltic-American Enterprise Fund, sign a trade pact with the Latvians and look forward to further expansion of trade and investment through a Baltic business development mission this fall.

The economic success story of the Baltics will help reinforce the point that Western assistance alone cannot assure prosperity; privatization, growth and trade are the surest guarantees of longterm political stability and normal, neighborly relations with Russia. Our support for this continuing economic integration with the West will in many ways be our most durable and valuable legacy to the people and governments of the Baltic states.

KEY EVENTS

Baltic Presidents Lunch. This is the centerpiece of the visit, the original concept event for the trip. You will meet over lunch for an hour and a half with Presidents Meri, Brazauskas and Ulmanis in a structure as informal as we can make it in order to allow for a more relaxed and natural discussion. We expect a heavy focus on the Russian-Estonian withdrawal talks, there should also be a good exchange on economic and security issues of concern to the three Presidents.

Open Air Speech. Against the backdrop of Freedom Monument in downtown Riga, you will address a crowd in the surrounding square that could number well over ten thousand. The central theme of your brief remarks will be America's celebration of the Baltic rebirth of freedom and our determination to stand by the region as it completes its reintegration into the Western fold.

Latvian Bilateral Events. You will have a brief meeting with Latvian Prime Minister Birkavs, followed by a ceremony to sign the bilateral trade agreement. Later, President Ulmanis will host a reception where you will have the chance to meet Latvia's political, cultural and business leadership. The reception will be held in Riga's newly re-opened Stock Exchange.

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Divider Title: ARRIVAL CEREMONY

ARRIVAL CEREMONY

CONTEXT OF THE EVENT

You are the first serving American President to set foot on Baltic soil, making your arrival historic. Your visit to Riga to meet with the three Baltic Presidents symbolizes our support and respect for the sovereignty and independence of these nations. Mindful of the quadrilateral nature of this event, the Latvians have dispensed with the full retinue of bilateral honors and have planned a colorful but short ceremony at which you will be formally introduced to the three Baltic delegations.

YOUR OBJECTIVES

- o Convey a sense of the historical significance of your visit.
- o Highlight your presence in the Baltics as a demonstration of support for the nationhood of Latvia, Estonia and Lithuania.

CORE POINTS

- o This is truly an historic moment. The arrival of an American President in the Baltics is a symbolic affirmation of the long road you have travelled to achieve true sovereignty and independence.
- o I look forward to our discussions today as a chance to bolster your reintegration with Europe and North America.

BACKGROUND

Upon arrival, you and the First Lady will be greeted by the Presidents of Latvia, Estonia and Lithuania and then introduced to their delegations. You will introduce the U.S. delegation to the Latvian President.

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Divider Title: **BILAT/SIGNING W/PM BIRKAVS**

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BILATERAL MEETING AND SIGNING CEREMONY
WITH LATVIAN PRIME MINISTER BIRKAVS

CONTEXT OF THE MEETING

This half-hour meeting and signing ceremony is a mark of appreciation for the Latvian government's agreement to act as host for your multilateral visit. Your interlocutor is Prime Minister Birkavs, whose role as head of government has been eclipsed in recent months by the need to conduct business at the Presidential level between you, Yeltsin and President Ulmanis, whose role in Latvian politics is largely ceremonial. Birkavs is also serving as Acting Foreign Minister following the resignation of the former FM over allegations he cooperated with the KGB before Latvia's independence.

The Latvian government is honored by your decision to visit Riga, and deeply appreciates your personal efforts to help Latvia and Russia sign the troop withdrawal agreement on April 30. The Russians have indicated that their pullout is likely to be completed before the August 31 deadline. In fulfillment of our commitment to help the Latvians dismantle the Skrunda radar site, a U.S. team recently visited Riga to begin coordinating the joint effort. We have now doubled our contribution to the Skrunda dismantlement fund, from \$2 million to \$4 million. The meeting will also afford an opportunity to reiterate our concerns about Latvia's draft citizenship law, which contains an unacceptably small quota for non-Latvians.

At the conclusion of your meeting, you and Prime Minister Birkavs will sign the Bilateral Trade Agreement, underscoring our support for Latvia's future integration into the Western economic fold.

YOUR OBJECTIVES

- o Reassure Latvia about continuing U.S. interest in smooth implementation of the troop withdrawal agreement, citing Skrunda dismantlement and housing vouchers.
- o Stress our strong interest in strengthening bilateral relations through increased emphasis on trade and investment and broadening security ties.
- o Encourage passage of a generous and inclusive citizenship law.

Introduction and thanks

- o I want to reiterate my thanks to you and President Ulmanis for inviting me to Riga and acting as host for the meeting with Presidents Meri and Brazauskas.

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PER E.O. 13526

2016-0314-M-1 (1,2)

6/12/2013 v2

- o The statesmanship Latvia has displayed in concluding the troop withdrawal agreement with Moscow has earned the respect of all of us. We look forward to working with you and with Moscow to ensure full, timely implementation.

Skrunda dismantlement

- o When I met President Ulmanis in Washington in May, I told him we would provide at least \$2 million to fulfill our promise to help you take down the large structure at Skrunda.
- o An American team recently visited Skrunda and met your experts. We are well on the way to coordinating our efforts. But it appears dismantlement will cost more than we first thought.
- o We have identified another \$2 million in funding for the project; brings our total commitment to \$4 million. We will continue to encourage other states to contribute, as well.

Housing vouchers

- o We have tried to provide a real incentive for Russian compliance with the withdrawal deadline through our \$160 million program to resettle demobilized officers.
- o You have helped us by working with the Russians to identify specific officers who qualify for the program. We have increased the number of vouchers available from 1,000 to 2,500, split equally between Latvia and Estonia.

Bilateral issues

- o The troop withdrawal sends a positive signal to traders and investors. I am announcing today the board members of the Baltic American Enterprise Fund to be chaired by Ambassador Rozanne Ridgway, President of the Atlantic Council, which will have \$50 million in investment capital to support private business development in the Baltics.
- o Looking forward to the Central Europe trade and investment conference in Washington this fall. Afterwards, we will send out a trade development mission to the Baltics, including participation by major U.S. firms.
- o Your active participation in Partnership for Peace will help strengthen your security ties to the West. We have also asked our Congress to provide \$10 million in FY95 funds to support regional peacekeeping forces, including the Baltic Peacekeeping battalion.

- o (IF ASKED ABOUT JOINTLY DEVELOPING RUSSIAN INTELLIGENCE SITE AT VENTSPILS AS A SCIENCE/TELECOMMUNICATIONS CENTER):
 - Intriguing proposal. Would be happy to explore details to see if we could make this work.
- o (IF ASKED ABOUT WILLINGNESS TO PURCHASE U.S. EMBASSY BUILDING IN RIGA, ENABLING LATVIA TO BUY NEW BUILDING IN D.C.):
 - I am told that our present tight budget still will not allow us to purchase the building here. If the funds become available, we will raise this with you again.

Naturalization law

- o Pleased that President Ulmanis remanded this law to parliament. We share view of CSCE and others that the citizenship quota is far too restrictive.
- o Encourage you to find ways to include your large Russian minority in political and social life of your country.
- o Know this is difficult issue here but we are convinced you will be better off in the long-term if Russians are treated fairly.

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Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lisa Caputo)
OA/Box Number: 6054

FOLDER TITLE:

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994 [Binder]

2011-1037-F
kc1151

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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Valdis BIRKAUS
(Phonetic: BEERkavs)

LATVIA

*Prime Minister (since July 1993);
Acting Minister of Foreign Affairs
(since 7 June 1994)*

Addressed as: Mr. Prime Minister

Valdis Birkavs has had to rely on his considerable legal expertise and political savvy to keep his minority coalition government on a proreform path, EO 13526 1.4c
He assumed the Foreign Ministry portfolio when his predecessor, Georgs Andrejevs, resigned—after admitting to having worked for the KGB in the early 1960s. EO 13526 1.4c

Birkavs will hold the post until a new minister is named, which they say may not be until the fall of 1994. He has been termed a crisp, clearheaded, tough-talking politician by the Baltic press. 1.4(c)

EO 13526 1.4c

1.4(c)

3.5c

The Prime Minister has steered the government toward areas that he considers key to transforming Latvia into a market economy and to drawing the country into Western organizations—economic reform continues to move forward, an agreement has been reached on Russian troop withdrawal, and Latvia has joined the Partnership for Peace program. However, Birkavs still faces the ethnically touchy issue of establishing a citizenship law, the resolution of which is needed for the country's incorporation into organizations such as the Council of Europe. 3.5c

Birkavs was born on 27 July 1942 in Riga. After attending the Riga Polytechnic Institute, he performed his mandatory service in the Soviet army. Birkavs subsequently earned a law degree (with honors) from Latvian State University's law school in 1969. He also holds a Ph.D. in criminology. Birkavs began his career at the Latvian Justice Ministry's Forensic and Criminology Laboratory, which provides expert

3.5c



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EO 13526 1.4c, 3.5c

witnesses for the court system. In 1988 he established the Latvian Lawyers' Association, the first independent bar organization in what was then the Soviet Union, and he was elected its first president. He became involved in the independence movement in 1990 when he was elected to the Saeima (parliament) as a proindependence Popular Front candidate. He served as one of the parliament's experts on legislation matters and, according to press reports, he frequently was sought out by other members of parliament for advice on procedure and phraseology; he became a deputy speaker in 1992. 3.5c

The press describes Birkavs—who speaks English, Russian, and Latvian—as a refined intellectual. He admitted in an interview that because of his knowledge and experience, he never

(continued)

3.5c

3.5c

3.5c

has suffered from an inferiority complex. Birkavs enjoys vacationing at his summer house by the Baltic Sea; he says that proximity to the sea provides him creative and physical freedom to think and write. He also enjoys sports—skiing, tennis, and sailing (in which he once competed at the international professional level). In a January 1994

basketball match, Birkavs led members of his Cabinet to victory over a team drawn from the Lithuanian Cabinet; he quickly fouled out of the game. Birkavs and his wife, Aina, have a son.

3.5c

14 June 1994

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Divider Title: **WORKING LUNCH W/BALTIC PRESIDENTS**

~~CONFIDENTIAL~~

WORKING LUNCH WITH THE PRESIDENTS
OF ESTONIA, LATVIA AND LITHUANIA

CONTEXT OF MEETING

This meeting is the centerpiece of your visit to the Baltics: an opportunity to convey to the Baltic heads of state, as a group, the assurances of America's commitment to the future of their independent nations and to the prosperity and development the Baltic region as a whole. All three Baltic Presidents deeply appreciate your personal involvement in promoting the withdrawal of Russian troops from the Baltics, and you will be able to provide them evidence of our commitment to ensure smooth implementation of the withdrawal agreements. The Estonian-Russian talks are at a sensitive endgame phase, and your discussions with President Meri may yield enough progress on the outstanding issues to allow the outlines of a final deal to take shape when you meet President Yeltsin in Naples on Sunday.

Beyond the troop withdrawal issue, though, this luncheon should focus on the future. History and geopolitical realities inspire deep pessimism among the Baltic people and their leaders. There is great fear of resurgent Russian nationalism and a lingering suspicion that America will put the Baltics on the back burner once the Russian troops are gone. There is also uncertainty, especially in Latvia and Lithuania, that a successful transition to a market economy is in sight. The single overriding message for you to leave with your Baltic counterparts is our determination to help them reintegrate into the Western security and economic fold and our rejection of the idea of a Russian "sphere of influence" in the Baltics. The surest guarantee of long-term Baltic sovereignty and prosperity lies in close integration with Europe and North America and, simultaneously, normal relations with a reforming, stable Russia. In this respect, the Baltic leaders will value your assurances that our relations with Russia remain healthy, resilient and realistic.

YOUR OBJECTIVES

- o Hail progress in achieving full Russian troop withdrawal and our commitment to the implementation phase of the process.
- o Express readiness to help conclude the Russia-Estonia talks, specifically by carrying a message from President Meri to your meeting with Yeltsin in Naples.
- o Stress need for an enlightened policy of including the Russian ethnic minority in political and social life.
- o Make clear our steadfast support for Baltic security and economic integration with the West.

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- o Stress the strength of our ties with Moscow, but reject any suggestion of a Russian sphere of influence in the Baltics.

CORE POINTS

Russian Troop Withdrawals

- o Congratulations to all three on progress in withdrawal of Russian forces. These agreements will help you establish normal relations with your big neighbor and create a better climate for reforms and trade and investment.
- o August 31 is a firm deadline as far as we are concerned. We've told Russia that withdrawals cannot drag on past then. I believe Yeltsin is committed to deadline -- doesn't want this as a long-term problem in our relations.
- o We are committed to make these agreements work. Have made ready 2,500 housing vouchers so that departing officers can buy apartments in Russia. The Russians are responding. The first vouchers are already being handed over to qualified officers.
- o Our contribution to Skrunda dismantlement now totals \$4 million. We are providing over \$1 million to the international fund to help clean up Paldiski. We will also work closely within CSCE to monitor implementation.
- o Estonian-Russian talks seem close to final agreement. President Meri, we want to be helpful. I will see Yeltsin in Naples on Sunday; what will it take to close the deal? Can I be helpful?
- o I believe you need to close the deal with President Yeltsin personally and not allow this to go back to mid-level negotiators.

Separate points for Meri pull-aside:

- o Believe the Russians will accept that their officers have the same rights to privatize their flats as Estonians; no more no less. Will support you fully on this.
- o Regarding cutoff date for residence permit applications, urge you to be flexible. Our housing vouchers can "buy off" some of the disputed group.
- o On Paldiski reactors, key is the status of the facility. Russians will likely agree to civilian status for the interim period -- personnel would not wear uniforms. We will support you in pushing for shortest period -- 6-12 months.
- o Key is a signed agreement with date of August 31.

Russia and Russian Ethnic Minority

- o We've survived some rough spots in our relations with Russia. Yeltsin and I are committed to keeping things on track. We have learned to manage disagreements through frequent diplomatic consultation. Yeltsin and I call or write frequently to give direction and keep things moving.
- o We've been impressed by Chernomyrdin and his pragmatism on economic decisions. Vice President Gore has close personal relationship with him. Overall, reform process is still moving forward.
- o I mention this because a large part of **your** security depends on a stable, reforming Russia. Helping Russia make that hard transition is still my top foreign policy priority.
- o We reject any suggestion that the Baltics lie in any sort of Russian "sphere of influence." We are watching Russian actions closely in Georgia and Nagorno-Karabakh, but the Baltic states are in a completely different category. You are pointed westward and we want you to remain that way.
- o The Russian minority in your countries is a fact of life you must deal with. I know it's difficult. I urge you to find ways to include them in the social and political life of your countries, consistent with CSCE and other multilateral suggestions. Make it a priority to keep this problem manageable. Let us know how we can help.

Bilateral and Multilateral Security Relations

- o Expanding our security relations with your countries is a priority for us. It emphasizes our support for your sovereignty. The first sessions of the bilateral working groups on defense matters were a good start to build upon.
- o We strongly support your integration into the Euroatlantic community multilaterally. You are already playing a constructive role in the CSCE and NACC.
- o Now, we welcome you into the Partnership for Peace. Your membership will play a pivotal role in your integration.
- o I strongly support the Baltic Peacekeeping Battalion initiative and have asked Congress to give us \$10 million in our FY95 budget to support this and other regional peacekeeping groups. The battalion is an excellent example of regional cooperation and a model for other Central and East European states.

Economic Cooperation and Support

- o Your progress toward building market democracies is remarkable. I realize that the battle is far from won and urge you to stay the course.

- o Our economic assistance for the Baltic region will fall a bit in the coming year, in line with cuts to all other countries in Central and Eastern Europe and the former USSR.
- o We have placed a renewed emphasis on trade and investment. I have just approved the board of the Baltic American Enterprise fund. It will be headed by Rozanne Ridgway, our former Ambassador to Finland and East Germany and Assistant Secretary of State for Europe. She is now President of the Atlantic Council.
- o I know you have been waiting a while for the Fund to start up. I have put it on a fast track to start making the first grants from its \$50 million before September.
- o The White House is also sponsoring a Conference on Trade and Investment in Central and Eastern Europe this fall. Afterwards, we will send to your countries a major Baltic Business Development Mission, bringing many top U.S. firms with it.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004b. report	report [Released in Part] (2 pages)	06/17/1994	P1/b(1)

COLLECTION:

Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lisa Caputo)
OA/Box Number: 6054

FOLDER TITLE:

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994 [Binder]

2011-1037-F
kc1151

RESTRICTION CODES

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C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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3.5c

Lennart MERI
(Phonetic: MAYree)

President (since 1992)

Addressed as: Mr. President

Estonia's first president since 1940, Lennart Meri
EO 13526 1.4c is publicly
committed to integrating his country with the West
and eradicating the vestiges of 50 years of Soviet
occupation. He is adamant in urging the withdrawal
of Russian military forces from Estonian territory by
31 August 1994 and does not pass up an opportunity
to assail their continued presence in talks with
Western officials and in the press. EO 13526 1.4c

EO 13526 1.4c

Meri did avoid major conflict with Russia in July
1993 when he rejected at the eleventh hour an anti-
Russian Aliens Law that would have put tight
restrictions on granting citizenship to non-Estonians.

EO 13526 1.4c he remains
sensitive to Moscow's charges of discrimination
against ethnic Russians living in Estonia. 3.5c

EO 13526 1.4c, 3.5c

Background and Personal Notes

Meri is an ethnic Estonian. He was born on
29 March 1929 in Tallinn, the son of a post-World
War I Estonian diplomat who had served in Paris
and Berlin. In 1941, his family was deported to
Siberia after the republic was occupied by the

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ESTONIA

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EO 13526 1.4c, 3.5c

Soviets. After returning to his homeland after World
War II, Meri graduated from Tartu University in
1953 with a degree in history. He was a well-known
reformist intellectual before entering politics in the
late 1980s, having spent much of the preceding three
decades as a radio editor, documentary filmmaker,
and author of books on Finnic-Ugric ethnic groups
in the Soviet Union. By 1989, Meri had emerged as
a prominent member of the independence-minded
Popular Front. After serving as Foreign Minister, he
was Ambassador to Finland for several months.

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EO 13526 1.4c

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EO 13526 1.4c

EO 13526 1.4c

. He is capable of carrying on several conversations in multiple languages simultaneously—in addition to his native Estonian, he speaks English, French, German, Finnish, Italian, Danish, and Swedish. Meri is an electronics junkie and has many phones. His wife, Helle, is about 30 years his junior and is an actress and an opera singer. The couple has a young daughter, Tulle, who was born around 1985. Meri also has two sons from a previous marriage.

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17 June 1994

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004c. report	report (2 pages)	06/17/1994	P1/b(1)

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First Lady's Office
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OA/Box Number: 6054

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3.5c

Algirdas Mikolas BRAZAUSKAS
(Phonetic: brahZOWskas)

President (since February 1993)

Addressed as: Mr. President

LITHUANIA

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Algirdas Brazauskas is EO 13526 1.4c

EO 13526 1.4c

1.4(c) his country's most popular
politician in a poll published in March 1994.

3.5c

Brazauskas supports cultivating good relations
with Western countries, especially the United
States. EO 13526 1.4c

EO 13526 1.4c

EO 13526 1.4c He
has energetically expanded economic and security
ties with the West, and he was the first Baltic leader
to apply for NATO membership. He wants to
attract Western investment, but he has warned that
Lithuania also needs to improve relations with its
eastern neighbors, according to press reports.
Brazauskas, who has publicly noted Lithuania's
dependence on Russia as its main energy supplier,
has made liberalizing trade with Russia a top
priority. 3.5c

EO 13526 1.4c, 3.5c

Party Politics

Brazauskas was born on 22 September 1932.
He holds a candidate's degree in both construction
engineering and economics (roughly equivalent to
a Ph.D. in this country). After a Soviet apparatchik
career in successive positions of increasing
responsibility in the construction and supply sector
and in the Communist Party apparatus of Lithuania,
Brazauskas was named first secretary of Lithuania's
Communist Party in 1988. In late 1989 he drew the

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proindependence Lithuanian Communist Party out from under the umbrella of the Soviet Communist Party. The Lithuanian Democratic Labor Party was formed from the remnants of that party in 1990, and he headed it until April 1993. After Lithuania gained independence in 1991, Brazauskas unsuccessfully ran for chairman of the parliament.

3.5c

United States.

EO 13526 1.4c

EO 13526 1.4c

1.4(c) Married to a retired doctor, he has twin daughters and several grandchildren.

3.5c

Personal Notes

17 June 1994

Brazauskas does not speak English but reads it well. He speaks Russian and Polish, as well as Lithuanian. He has traveled widely, including to the

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Divider Title: **PRESS AVAILABILITY**

PRESS QUESTIONS AND ANSWERS

BALTIC ECONOMIC SITUATION

Q: How do you rate the economic situation in the Baltic States?

- A.
- Baltic region a model for how states can make the transition to a market economy. All three countries have strong currencies and relatively low inflation.
 - Estonia is predicted to have the highest growth rate in all of Europe this year -- 6%.
 - Latvia and Lithuania are not far behind; both are privatizing well and have followed IMF recommendations.
 - Overall, trade and investment prospects here are excellent. We are committed to help it improve even more.
 - I don't want to minimize the hardships that this economic transition imposes. I know that many families are suffering. But we are confident that these hardships will lessen as each country continues its turnaround.

POST-COMMUNIST RETURN

Q: How do you view the return of former communists to power in a number of Central and Eastern European countries, such as Lithuania and Poland?

- A.
- I'm more interested in a government's policies and results than in the political labels that apply to it.
 - We are committed to work with any democratically elected government that supports political and economic reform, human rights, respect for neighbors and good relations with the United States.
 - Our relations with Lithuania and Poland are excellent.

SKRUNDA

Q: Did the United States make a deal with Russia over the disposition of the Skrunda radar facility?

- A. - No, we understood the Russian need to maintain their early warning capacity at Skrunda temporarily, until it could be replaced. It will close after a specified period of time. My talks with Presidents Ulmanis and Yeltsin helped find a time frame that both sides could accept for keeping the radar open and under civilian control.
- There are no secret agreements. Everything is public.
- At Latvia's request, we have committed \$4 million dollars to help with the dismantlement of the large, unfinished structure at Skrunda.

U.S.-BAL TIC SECURITY RELATIONSHIP

Q: What type of defense or security relationship does the United States have with the Baltic States?

- A. - We have active bilateral and multilateral security relationships with all three countries.
- We recently had consultations on regional security, defense cooperation and bilateral assistance with each of the Baltic states.
- We also have a program of high-level visits, ship visits and exchanges of defense officials.
- We have also proposed to Congress a \$10 million program in FY95 to support regional peacekeeping units in Central and Eastern Europe. Some of this money would support the Baltic Peacekeeping Battalion being established jointly by these three states.
- We also hope to expand our security cooperation through NATO's Partnership for Peace, in which all of the Baltic States participate.
- Baltic countries are important to the West. Delighted they will take part in PFP.

NATO ISSUES

Q: Why has the U.S. allowed Russia to veto the Baltic states and other countries in CEE from joining NATO?

- A. - Russia has not vetoed membership in NATO for any nation. No state outside NATO has a veto on membership. At the January Summit of NATO we said we expect that NATO will eventually expand eastward.
- As we consider expansion, we will be looking at the overall European security situation and the ability of prospective members to meet the responsibilities that NATO membership entails.
 - Active participation in PFP is an important factor. The enthusiasm the Baltic states have shown over their membership PFP is a very good trend.

ESTONIAN-RUSSIAN TALKS

Q: What is the status of the Estonian-Russian troop withdrawal negotiations? Will the U.S. mediate these talks as you did between the Russians and Latvians?

- A. - President Meri and I had a good discussion of the state of play. I have no doubt that the Estonians are committed to reach agreement to permit troops to leave by August 31. I believe the Russian side shares that commitment. There are just a few outstanding issues.
- The U.S. did not mediate the Russian-Latvian talks, and we have no intention of playing that role here.
 - I do expect to discuss the negotiations when I see President Yeltsin in Naples on Sunday.
 - I expect that Russia will meet the August 31 deadline it has set for withdrawal of its forces from Latvia and Estonia.

ETHNIC RUSSIANS IN ESTONIA AND LATVIA

Q: What is the United States position on the status of ethnic Russians in Estonia and Latvia? What about the Latvian citizenship law?

- A. - From the very start, we have encouraged the governments of all the Baltic countries to adopt an inclusive approach to dealing with their minority populations.
- There have been numerous international groups monitoring the minority situation in the Baltics. We agree with their findings that there are no abuses of human rights among the minority population.
 - At the same time, I have urged all three Presidents to find ways to include ethnic minorities in the social and political life of the country.
 - On the Latvian citizenship law, we agree with CSCE, the Council of Europe and the EU. The current draft has some improvements over earlier versions, but it still sets an unfairly low quota for non-Latvians to become citizens.
 - I think President Ulmanis was right to send it back to Parliament, and I hope they will make the necessary corrections to it.

KALININGRAD

Q: What is the U.S. position on the status of Kaliningrad?

- A. - Kaliningrad is part of Russia.
- We are aware of the high concentration of Russian forces in the region and understand the desire of others in the region to see that concentration reduced, or to demilitarize Kaliningrad completely.
 - We hope that as Russia begins to resolve its housing shortage for military personnel, Kaliningrad's force concentration can be reduced.

AID PHASEOUT IN ESTONIA

Q: Why did the United States decide to cut off economic assistance to Estonia?

- A. - We have agreed with the Estonians to move from aid to trade.
- Estonia is reaching that stage in its economic development where trade and investment has a greater effect than economic assistance. When that happens, we begin to phase out some of the assistance.
- The Estonian government fully understands and supports this policy. It is the best vote of confidence we can give them.

STABILITY PACT

Q: What does the U.S. think of the Baltic Table of the European Stability Pact?

- A. - We are consulting closely with the European Union on its proposal to establish a Baltic Table. We intend to work with the EU to ensure that this initiative contributes to the success of efforts already underway in the CSCE and elsewhere.

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Divider Title: **SPEECH AT FREEDOM PLAZA**

CEREMONY AND SPEECH AT FREEDOM MONUMENT

CONTEXT OF THE EVENT

Your open air speech in central Riga will underscore in dramatic fashion the central themes of your visit: strong public support for Baltic sovereignty; America's role in promoting the withdrawal of Russian troops; our commitment to the security and economic integration of the Baltics with the West. A large crowd -- perhaps as many as ten thousand people -- is expected to gather in the square before the monument. Latvian workers have been given the afternoon off to attend the event, and you encouraged Estonians and Lithuanians to join you in Riga in your videotaped message to the Baltic peoples.

Upon arrival at Freedom Monument, you will be greeted by President Ulmanis and will lay flowers at the base of the monument. You will then proceed to the adjacent stage, where President Ulmanis will make introductory remarks. The three Baltic Presidents will be seated on the stage during your speech, which will be interpreted consecutively into Latvian. We will provide the text of your speech separately.

YOUR OBJECTIVES

- o Impress upon your audience the steadfastness of America's support for the Baltics.
- o Underscore our commitment to the full implementation of the troop withdrawal agreements.
- o Describe your vision of a prosperous, stable Baltic region at peace with its neighbors and integrated with the West.

BACKGROUND

Freedom Square is Riga's most historically significant location. In Czarist times, a statue of Peter the Great stood on the spot, and the site was called "Peter's Square." The statue was removed after World War I, and the current Freedom Monument was erected in 1935 as a symbol of Latvia's new-found statehood and liberty. When the "Latvian Awakening" began in 1987, the Freedom Monument became a rallying point for opponents of the Communist regime. Since independence, the square and monument have often been the site of public gatherings in support of reform. All visiting foreign dignitaries lay flowers at the Monument.

The 146-foot high stone obelisk is topped by a bronze statue of Liberty holding three stars, symbolizing the unity of Latvia's three regions. The four stone sculptures at the base depict national and cultural themes. The inscription on the Monument reads "For Fatherland and Freedom."

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Divider Title: MTG WITH LATVIAN LEADERS

MEETING AT THE STOCK EXCHANGE

CONTEXT OF THE EVENT

This is your opportunity to meet a broad spectrum of Latvian opinion- and decision-makers. You will be meeting with Latvian and American business, political and cultural figures at the Riga Stock Exchange immediately prior to delivering your speech at Freedom Square. Among the Latvians you will meet are the Minister of Government Reform and the President of the Bank of Latvia. The guest list also includes the Board of Directors of the American Chamber of Commerce and the General Manager of Kellogg's cereal, the largest U.S. investor in Latvia. The meeting will be closed to the Press.

YOUR OBJECTIVES

- o Highlight the role of American trade and business in Latvia's recovery.
- o Underscore our support for Latvia's future development with a broad group of leaders.

CORE POINTS (text of remarks to be provided)

BACKGROUND

Latvia has been very successful in stabilizing its economy. It has the lowest inflation rate of any NIS or Baltic country. Its private sector has grown rapidly: there is now one private company registered for every fifty Latvians. The town of Riga has emerged as a regional banking, business and transportation hub.

The U.S. has made a significant contribution to Latvia's recovery. The U.S. is one of the largest foreign investors in Latvia (\$75-100 million in planned investment). Bilateral trade was \$113 million in 1993 and is expanding rapidly. Riga is home to a growing and dynamic business community which is represented by an active chamber of commerce.

The venue of the meeting, the old Riga Stock Exchange Building, is scheduled to become the home of a functioning stock exchange and stock registry in the first quarter of 1996.

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Divider Title: **MTG WITH U.S. EMBASSY STAFF**

MEETING WITH STAFFS OF U.S. EMBASSIES IN THE BALTICS

CONTEXT OF THE EVENT

This is your opportunity to thank the official American communities in Lithuania, Latvia and Estonia for their hard work toward supporting our policy goals in the region and for their efforts to make your visit a success. The staffs of our embassies in Tallinn and Vilnius have travelled by bus to join their colleagues in Riga for this event. You will meet the group following your Freedom Square speech, immediately before departing for the airport.

YOUR OBJECTIVES

- o Recognize the hard work and dedication of the Americans (and their families) who represent the U.S. in the Baltics and the Foreign Service National employees who support them.
- o Impress upon the group your personal commitment to strengthen U.S. relations with the Baltic nations and their important role in making that commitment a reality.

CORE POINTS (text of remarks to be provided)

BACKGROUND

The United States re-established full diplomatic ties with Lithuania, Estonia and Latvia in September, 1991, following the aborted effort to oust Soviet President Gorbachev. We have had Ambassadors in the three countries since mid-1992. The Embassy staffs are small, but growing as our relationships broaden. Counting all agencies represented, each post currently has about 15 full-time resident professional members and 30-45 locally-hired support personnel, either Foreign Service national employees or officer's spouses.

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Divider Title: **BACKGROUND INFORMATION**

BACKGROUND PAPERS

Skrunda Radar Site: Dismantlement Assistance

Russian Troop Withdrawals

The Russian Minority in the Baltic States

Paldiski Naval Base

Baltic-American Enterprise Fund

Latvia: Political-Economic Overview

Estonia: Political-Economic Overview

Lithuania: Political-Economic Overview

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SKRUNDA RADAR SITE: DISMANTLEMENT ASSISTANCE

The radar facility at Skrunda, Latvia comprises three large ballistic missile early warning (BMEW) radars. Two older radars were constructed during the 1960's to track northern Europe and especially the Northeast Atlantic. They were fully operational by 1971, predating the 1972 ABM Treaty. Each radar consists of two antenna buildings with a control building between them. These are the radars that the Russians will run for four more years under the troop withdrawal agreement with Latvia. It provides Russia time to replace this coverage with facilities either in Moscow or Belarus.

Construction of the third site, a large phased-array radar (LPR), began in 1986 in order to replace the older Hen House radars. These buildings were near external completion when construction was halted in early 1992. Although inoperable, the 18-storied skyscraper stands as a symbolically ominous reminder to Latvians of Soviet/Russian presence. For this reason the Latvians want the LPR destroyed quickly. Our \$4 million dismantlement assistance package is designed to help them do so.

On April 30, 1994, the Latvians and Russians signed a troop withdrawal agreement that included Russia's consent to turn over the LPR immediately to Latvian control. Under the terms of agreement, the CSCE is to establish a mission to help monitor implementation of the Skrunda provisions (4 years of continued operation by the Russians plus another 18 months for dismantlement). We are encouraging the Latvians and the Russians in Vienna to give the CSCE an idea of the composition and mandate for the CSCE mission.

The Latvians have now taken over the LPR, although Russians guard the site. In addition to our \$4 million toward dismantlement, the Swedes have also committed \$1 million and the British have agreed to help resolve Latvia's environmental concerns over radio waves from the site. We have asked other Western donors to contribute to this project.

An interagency technical assessment team visited Latvia in mid-June to assess dismantlement parameters and to determine project costs. The team will assist in preparation of bid specifications for contractors to complete demolition as soon as possible.

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RUSSIAN TROOP WITHDRAWALS

The issue of Russian troop withdrawals is a genuine U.S. foreign policy success story. Our strategy to get those troops out has been threefold.

The first approach has been to use our good offices with the Baltic states in reassuring them of continued U.S. support for their sovereignty and independence long after the troops are gone. We have done this through high-level visits and telephone calls, establishing a normal defense and security relationship bilaterally and through Partnership for Peace and cooperating with the Baltic states and Russians on dismantling and cleaning up Russian military facilities that symbolically pose a threat to Baltic security (the Paldiski nuclear training reactor and Skrunda radar).

The parallel approach has been to work with the Baltic states to ensure that they treat their ethnic Russian populations equitably. We have done this through establishment of resident CSCE missions in Estonia and Latvia and multilateral programs to support the teaching of Estonian and Latvian to the Slavic communities, for example.

Along with our Russian officer housing program to relocate retired military officers to Russia, we have repeatedly reminded the Russian Government at the highest levels of its international commitment to withdraw its troops speedily and unconditionally no later than August 31, 1994.

Lithuania

The Defense Ministers of Lithuania and Russia signed an agreement on September 8, 1992 calling for complete Russian troop withdrawals by August 31, 1993. Despite a last-minute suspension of the withdrawals by the Russian government, active intervention by the U.S. and other Western governments ensured that the deadline was met. Lithuania continues to express solidarity with its Baltic neighbors in calling for Russia to withdraw its forces from Estonia and Latvia by August 31, 1994.

Like most Baltic Sea states, Lithuania remains deeply concerned about the excessive concentration of Russian troops in neighboring Kaliningrad (any resupply of these troops must go either by sea or, more practically, by rail through Lithuania) and would like to see a substantial number of these troops withdrawn.

Latvia

In order to promote a Latvian-Russian troop withdrawal agreement, at the Moscow Summit in January you suggested a compromise of four years and 18 months for the continuing operation and

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subsequent dismantlement of the Skrunda radar facility. Yeltsin accepted the compromise, and the Latvian Government also agreed to it.

That compromise formed the basis for the resolution of remaining issues, and Presidents Ulmanis and Yeltsin signed a troop withdrawal agreement on April 30. Less than 7,000 Russian soldiers now remain in Latvia, and Russia has stated that it will withdraw most of the rest by as early as July 31. The Russian navy already departed on June 1.

Estonia

Negotiators admit that more than 90% of the issues connected with a troop withdrawal agreement were resolved long ago. No progress was made until recently when, at your initiative, Russia agreed to raise its level of representation in the talks. FM Kozyrev and Estonian President Meri held a productive private meeting in Tallinn on May 25, and Russian DFM Churkin traveled to Tallinn the next week to negotiate directly with FM Luik. Despite some progress, the negotiations have again stalled over three main issues:

Application for residence permits by retired officers. The Estonians insist that applicants must have retired before August 21, 1991 (their "independence day") to be considered. The Russians want a broader formulation: anyone can apply, and the Estonians can deny whomever they want based on their laws. We are recommending that the Estonians throw in the towel here and accept the Russian formula; we have told them that we will front-load our housing vouchers in favor of the post-August 21 group they are concerned about.

Housing for retired officers. Moscow has revived an earlier position that retired officers should have an automatic right to privatize and thus take cost-free ownership of the apartments they live in. Even Estonians do not have this right; they must buy the right to privatize. Here, the Russians need to give.

Paldiski. This is the naval nuclear reactor training facility that the Russians are abandoning. They want the right to remove the fissile core and unspecified "secret" parts, which means they would need to remain at the facility for some time after the August 31 withdrawal date. The Estonians want all troops out by that date. The obvious, Skrunda-like solution is for the two sides to agree on an interim period (6-12 months is reasonable) for "civilianized" (i.e., non-uniformed) Russian personnel to carry out the defueling and related work.

Now that the United States, Sweden and other nations will be active in a multilateral effort on environmental cleanup of the two land-based nuclear submarine training reactors at Paldiski, this issue also should be easily resolved. The Energy Department has committed its support for this effort with a package of evaluation and training measures worth approximately \$2 million.

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THE RUSSIAN MINORITY IN THE BALTIC STATES

Aside from our usual human rights concerns, a major part of our strategy to promote the withdrawal of Russian troops from the Baltic States has been to press for fair and equitable treatment of the Russian minority. Russia routinely accuses Estonia and Latvia of massive violations of the human rights of their large Russian-speaking population, and often some Russian officials have tried to link these issues with the troop withdrawal issue.

We have supported the visits to Estonia and Latvia of numerous international human rights experts from non-government and inter-governmental organizations. We have agreed with their conclusions that there is no pattern of human rights violations there. Estonia accepted a CSCE mission in December 1992, and Latvia accepted a CSCE mission in November 1993. We are very pleased with the results of these missions in resolving a number of problems, such as the Aliens Law controversy in Estonia and the provocative behavior of the former Latvian Citizenship and Naturalization Department Director. The CSCE mission in Latvia is headed by an American Foreign Service Officer.

Lithuania

Ethnic Russians comprise only seven percent of Lithuania's population, and most of them automatically became citizens under Lithuania's liberal citizenship law of December, 1991. Unlike its Baltic neighbors, Lithuania did not experience a dramatic proportional rise in the number of postwar non-ethnic Lithuanians. This happened because border adjustments reintroduced a large number of ethnic Lithuanians. In addition, Stalin's Russification policy was not implemented as harshly in agricultural Lithuania as elsewhere.

Estonia

Estonia generally has taken a very pragmatic course in addressing the issue of its large ethnic Russian noncitizen community. Roughly 38 percent of its inhabitants are noncitizens; about 33 percent are ethnic Russian, most of whom live in the urban, industrialized Northeast. Estonia allowed its noncitizens to vote in municipal elections and granted citizenship to practically all noncitizens who wanted to run to office. For the elderly and handicapped, Estonia has dropped its language requirement for citizenship, and its citizenship law requires only a three-year residency, two years of which are retroactive. Estonia agreed to most of the revisions proposed by the CSCE to its Law on Aliens from last summer, which substantially eased a potential crisis in Russian-Estonian relations.

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Latvia

Latvia has taken a much more hesitant and legalistic approach to dealing with its large noncitizen community. Part of this may be related to the dynamics of the troop withdrawal process and part from doubts about the loyalty of these ethnics, even though they have not shown an inclination toward organizing politically. As in Estonia, a majority of ethnic Russians supported independence. However, a large number did not and are overwhelmingly anti-Yeltsin in sentiment. Few speak Latvian. While ethnic Russians comprise about the same percentage of the population as in Estonia, ethnic Slavs are 48 percent of Latvia's inhabitants and control an estimated 80 percent of the economy. The law on naturalization, with its strict quota system is contentious and unacceptable to us and most other European countries. We encouraged Latvia to review this aspect of the draft law, and it has been remanded to the Parliament for more work.

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PALDISKI NAVAL BASE

The Soviet Navy used Paldiski as a warm-water port since the late 1940s. Construction of the land-based nuclear submarine training facility that houses two reactors began in the 1960s. By 1989, however, the navy declared the reactors unsafe and obsolete and ordered them shut down. The military base reverted to Estonian control in August 1993, but the nuclear training facility remains under Russian control.

Russia made a commitment to decommission and dismantle the reactors at Paldiski and is expected to begin removing the reactors this summer in accordance with a plan that was discussed with an international group of nuclear experts.

During a recent visit, the Estonian Prime Minister mentioned the importance of U.S. support for a multilateral effort to help clean up the Paldiski site. The Energy Department has committed its support for this effort with a package of evaluation and training measures worth approximately \$2 million. The Swedish government has already committed \$1.25 million to this cleanup project, and it appears likely that other interested governments in the region will also join the effort once the United States officially participates.

By helping the Estonians and Russians eliminate radioactive risks, U.S. involvement in a Paldiski cleanup program will also ensure smooth implementation of Russia's pledge to clean the area of other hazardous materials. A multilateral program with substantial U.S. participation will help prevent future Estonian-Russian disputes over this matter and thereby enhance regional security and stability.

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Department of State Guidelines, November 6, 2015
By VZ NARA, Date 6/6/2023
2016-0314-11-1

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BALTIC-AMERICAN ENTERPRISE FUND

During your visit to Riga, you will announce the establishment of the Baltic-American Enterprise Fund (BAEF). The Fund will be capitalized with \$50 million in foreign assistance appropriations over a 3-4 year period. The purpose of the Fund is to promote private-sector development in Lithuania, Latvia and Estonia. The Fund's Board will be chaired by Rozanne Ridgway, former Assistant Secretary of State for Europe and Ambassador to East Germany and Finland.

The Fund will have the authority to make equity investments and loans and, as appropriate, offer technical assistance to promote new private initiatives, entrepreneurs and privatization, with special emphasis on the promotion of small and medium-sized enterprises. In particular, the Fund may support joint ventures involving U.S. and other foreign investors with Baltic country partners.

The Fund will be similar to the existing enterprise funds in Poland, Hungary, the Czech Republic, the Slovak Republic and Bulgaria. Our experience in these countries has shown that enterprise funds can play an important role in providing financing for the private sector, as well as leading the way for other investors. As with all the enterprise funds, the Baltic Fund will be managed by a private sector board of directors selected with the concurrence of the White House.

The Fund will be expected to maintain a meaningful presence both in terms of representation and its investment portfolio in all three Baltic States. The Fund will be encouraged to use its U.S. capitalization to attract other resources for private sector development in the Baltic States.

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2016-034-M-1 (3,10)
6/12/2013 VZ

LATVIA: POLITICAL-ECONOMIC OVERVIEW

The Latvian Ambassador calls Latvia "a nation of lawyers" in mentality. Culturally, Latvians most reflect their Lutheran German heritage and emulate Swedes. The Latvian language is neither Slavic nor Germanic, but a Baltic tongue related to Lithuanian. Under Hanseatic and German influence since the 13th century, Latvia always has used its geographic location as an important commercial trading center.

After 200 years of continuous Russian rule, a bloody civil war erupted in 1918 when part of the independence movement sided with the Bolsheviks. By 1920, the Germans and Bolsheviks were defeated. Prime Minister Karlis Ulmanis, uncle of the current President, headed the independence struggle and the first independent government. Before the Depression Latvia's minorities enjoyed cultural autonomy, the economy reformed and recovered. As in the other Baltic States, the mid-1930's brought authoritarian rule to Latvia.

Soviet and Nazi invasions during World War II reduced Latvia's population by one-third by 1945. During that decade, about 60,000 were deported to Siberia, and thousands fled to the West. The Soviets radically colonized and urbanized Latvia by bringing in thousands of Slavic industrial workers.

In March 1990, democratic elections gave the Popular Front independence movement a majority in the Supreme Council. In January 1991, shortly after a parallel attempt in Lithuania, Soviet political and military forces tried to overthrow the Latvian government. Eight people were killed. Latvia regained its independence in the wake of the aborted Soviet coup in August 1991.

Latvia's economic situation is steadily improving. The country enjoys a positive trade balance, relatively restrained inflation, and a very stable currency. Latvia still imports 90 percent of its energy from the NIS. De facto agricultural privatization also has occurred. Ethnic Slavs comprise 48 percent of the populace and control an estimated 80 percent of the economy.

Latvia signed a troop withdrawal agreement with Russia on April 30, paving the way for the departure of Russia's remaining 7,000 or so troops by August 31, 1994. The Russian navy already has departed, and the troops may be gone by as early as July 31. About 800 Russian technicians will remain to operate the Skrunda radar facility for another four years under CSCE supervision.

With the withdrawal agreement, Latvia now needs to focus on privatization as well as citizenship and naturalization legislation. The Latvian citizenship law emerged from Parliament with unacceptably low quotas for citizenship by non-Latvians

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(i.e., Russians), in direct contradiction to suggestions from CSCE and the Council of Europe for greater inclusivity. President Ulmanis has remanded the law back to Parliament for a rewrite. The United States has defended Latvia's human rights record against Russian accusations. We remain engaged in the issue and have supported the presence of a resident CSCE mission to promote harmonious relations between ethnic Russians and Latvians.

Relations with the United States and the West

A member of the UN, CSCE, NACC and COE, Latvia seeks GATT membership and associate membership status in the EU. Latvia actively pursues Western security relationships and enthusiastically supports Partnership for Peace (PFP).

The U.S. established diplomatic relations with Latvia on July 28, 1922, and reestablished ties on September 2, 1991. Latvian representation in the U.S. continued uninterrupted for over 70 years. The U.S. never recognized the forcible incorporation of Latvia into the USSR. About 85,000 Americans of Latvian descent play an active role in bilateral relations.

Latvia enjoys MFN status and GSP privileges. We will sign a Bilateral Trade and Intellectual Property Protection Agreement during your visit. In 1993, Latvia exported to the U.S. \$22.6 million and imported \$89.5 million, the latter being chiefly agricultural commodities under concessional programs. American firms registered \$35 million out of a total \$110 million in foreign investment. The U.S. is the largest Western investor in Latvia and, by far, Kellogg's is the biggest single U.S. investor.

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ESTONIA: POLITICAL-ECONOMIC OVERVIEW

A Nordic people closely akin to the Swedes culturally and the Finns linguistically, Estonians did not enjoy national independence until the interwar period. That Republic enjoyed relative economic prosperity but suffered political instability. Then, as now, personalities rather than real issues determined politics.

The infamous Molotov-Ribbentrop pact brought an end to Estonian independence by 1940. The next decade brought 10,000 Soviet deportations and 5,500 deaths in Nazi camps. Ten percent of the population fled to the West. Soviet rule brought large numbers of urban Slavic immigrants to industrialize Estonia's northeast.

Nevertheless, Estonia remained a window on the West and enjoyed a relatively extensive range of contacts with Finland through August 20, 1991, when it regained independence in the wake of the attempted coup in the Soviet Union. The transition to independence was entirely bloodless.

Estonia has generally done a good job in managing the ethnic Russian issue, both in domestic terms as well as in its bilateral relations with Russia. The United States has defended Estonia's human rights record against exaggerated accusations. We will continue to remain engaged in the issue and have supported the presence of a resident CSCE mission to promote harmonious relations between ethnic Russians and Estonians.

Estonia is a regional role model for reform. It has a balanced budget, free trade, annual inflation under 30% and a stable currency. Privatization is occurring at a relatively fast clip, except in the heavily Russian-ethnic Northeast. Barely 25% of its trade is with the NIS. Over 90% of small and medium-sized firms are in private hands, while two-thirds of large firms have been privatized. Only agricultural privatization lags.

Relations with the United States and the West

A member of the UN, CSCE, NACC and COE, and an association partner of the WEU, Estonia seeks GATT membership. Estonia actively pursues Western security relationships and eagerly signed on to Partnership for Peace (PFP).

Through 1993, the U.S. has committed over \$33 million to Estonia's economic transformation and to address humanitarian needs; annual assistance under the SEED program is now over \$6 million.

Estonia's phased graduation from AID's assistance programs, to be completed by 1996, recognizes Estonia's position at the vanguard of Eastern European reform. In 1993, Estonian trade with the

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Department of State Guidelines, November 6, 2015

By VZ NARA, Date 6/6/2023

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United States amounted to \$20 million in exports and \$54 million in imports, the latter being mainly agricultural commodities under concessional programs. U.S. investment, consisting of about 145 firms, makes up \$20 million of \$185 million in foreign investment in Estonia.

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LITHUANIA: POLITICAL-ECONOMIC OVERVIEW

Lithuania is a staunchly Catholic nation with a strong sense of national identity dating back to its glory days as a medieval empire, when it stretched from the Baltic to the Black Sea. Subsequently tied in a union with Poland for centuries, Lithuania was an independent nation again from 1918 to 1940, when it was annexed by the USSR.

Under the leadership of intellectuals, the Lithuanian reform movement Sajudis was formed in mid-1988, declaring a program of democratic and national rights. After 50 years of occupation, in 1990 the Lithuanian Supreme Council declared Lithuania independent from the Soviet Union. The USSR responded with the imposition of a harsh economic blockade, and in January 1991 unsuccessfully tried to overthrow the elected government, killing 13 civilians and injuring hundreds. Lithuania finally regained its full independence in August 1991.

Politico-economic gridlock and economic mismanagement returned the former Communists to power in elections in the autumn of 1992, but they have not fared much better than their predecessors. Politics traditionally has been marred by a disorganized but effectively disruptive opposition.

The new currency is very stable, and inflation has been brought under control (about a 30 percent annual rate). However, economic reform has stalled. Because it won on the premise of improving social conditions, the Government has shied away from making tough fiscal/privatization decisions. Although it finally passed comprehensive privatization legislation this spring, the opposition has now succeeded in forcing a public referendum on the Government's plan.

Relations with the United States and the West

A member of the UN, CSCE, NACC and COE, and an associate partner of the WEU, Lithuania also seeks GATT membership. Lithuania actively pursues Western security relationships, has formally applied to join NATO, and already has submitted its presentation document for Partnership for Peace (PFP).

Through 1993, the U.S. has committed over \$66 million to Lithuania's economic and political transformation and to address humanitarian needs; annual assistance under the SEED program totals over \$9 million. In 1993 Lithuania exported \$16.1 million in goods to the U.S. and imported \$56.8 million, primarily agricultural commodities under concessional programs. U.S.-Lithuanian firms registered 235 of 3,674 foreign joint ventures, and of \$115 million in total foreign investment, the U.S. holds a \$35 million share. Philip Morris is a major investor.

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Department of State Guidelines, November 6, 2015

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By VL NARA, Date 6/6/2023

2016-0314-M-1

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THE WHITE HOUSE

WASHINGTON

July 1, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ✓

SUBJECT: Your Trip to Poland, July 6-7, 1994

Your visit to Poland includes meetings with President Walesa and Prime Minister Pawlak, a state dinner hosted by Walesa, a major speech at the Polish parliament, an informal meeting/reception with assembled CEE Foreign Ministers and ceremonial events connected with the Polish and Jewish communities. Your public remarks will be provided separately. This briefing book contains:

SCHEDULE OF KEY EVENTS

SCOPE MEMORANDUM

ARRIVAL CEREMONIES

MEETING WITH PRESIDENT WALESA

PRESS AVAILABILITY WITH PRESIDENT WALESA

STATE DINNER HOSTED BY PRESIDENT WALESA

WREATH LAYING AT TOMB OF THE UNKNOWN SOLDIER

CEREMONY AT WARSAW GHETTO MEMORIAL

COURTESY MEETING WITH SPEAKERS OF BOTH HOUSES

MEETING WITH PRIME MINISTER PAWLAK

SPEECH AT THE POLISH PARLIAMENT

CEREMONY AT WARSAW UPRISING MEMORIAL

RECEPTION WITH CEE FOREIGN MINISTERS

AMERICAN COMMUNITY EVENT

DEPARTURE CEREMONIES

BACKGROUND INFORMATION

DECLASSIFIED
E.O. 13526
White House Guidelines, May 16, 2017
By VL NARA, Date 6/6/2023
2016-0314-M-1

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cc: Vice President
Chief of Staff

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Divider Title: **SCHEDULE OF KEY EVENTS**

SCHEDULE OF KEY EVENTS

ARRIVAL CEREMONIES

BILATERAL MEETING WITH PRESIDENT WALESZA

PRESS AVAILABILITY WITH PRESIDENT WALESZA

STATE DINNER HOSTED BY PRESIDENT WALESZA

WREATH LAYING CEREMONY AT THE TOMB OF THE UNKNOWN SOLDIER

WREATH LAYING CEREMONY AT THE WARSAW GHETTO MEMORIAL

MEETING WITH POLISH PARLIAMENT SPEAKERS

MEETING WITH PRIME MINISTER OF POLAND

SPEECH TO THE POLISH PARLIAMENT

MEMORIAL CEREMONY AT THE WARSAW UPRISING MEMORIAL

RECEPTION WITH CEE FOREIGN MINISTERS

GREET U.S. EMBASSY STAFF AND FAMILIES

DEPARTURE CEREMONIES

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Divider Title: SCOPE OF MEMORANDUM

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THE WHITE HOUSE

WASHINGTON

July 1, 1994

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: ANTHONY LAKE ✓
SUBJECT: Your Trip to Poland

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2016-0314-M-1 (2,32)
6/12/2023 RZ

OVERVIEW

You visit Poland July 6-7, just after Riga and before the G-7 Summit and German/EU stops. The Warsaw stop is bilateral; Secretary Christopher will hold a concurrent Ministerial with his Central and East European counterparts. Your events include meetings with President Walesa and Prime Minister Pawlak, a speech at Parliament, a meeting with the CEE foreign ministers and ceremonial events. With you will be U.S. business executives, American Jewish and Polish-American Community leaders and Lane Kirkland.

Poland pioneered the communist world's democratic transformation in 1989 and has made major, even inspiring, strides. But success is not assured and remaining problems are daunting. The economy is growing rapidly but unevenly. Large-scale unemployment and other social stresses from wrenching change weakened support for reform. The outcome was the victory, in September 1993 elections, of parties with roots in the old regime. Reforms have been maintained but are at risk. The widespread and corrosive sense of economic insecurity is compounded by Poles' sense of exposure to the unstable NIS and, in their view, a deteriorating Russia. Many Poles fear the West will never accept CEE, but keep it at arms length as a vulnerable buffer zone.

Poland represents a key test of our objective of enlarging the world's community of market democracies. If Poland "makes it" -- carries its democratic and market transformation to irreversibility -- then our goals for the post-communist world will be vindicated in a major post-communist country. The outcome in Poland is up to the Poles, not us. Poland is close to success. What we say and do can make a difference while Poland and the post-communist world stand at a critical balance.

YOUR OBJECTIVES

- o Confirm to the Poles and all CEE's that we welcome their membership in the family of democratic nations.

~~CONFIDENTIAL~~

Declassify on: OADR

cc: Vice President
Chief of Staff

- o Support continued market economic reforms by emphasizing Poland's tremendous strides since 1989 and offering new initiatives.
- o Support Polish efforts to ameliorate human problems created by the collapse of the Soviet-style economic system.
- o Reassure an apprehensive Polish society that America remains committed to it and its future in Europe; that Russia does not have a veto over Poland's integration with the West; that you are prepared to advance NATO's stated objective of expansion to Eastern democracies.

POLAND'S PROGRESS; POLAND'S PROBLEMS

The Economic Dimension. Poland invented "shock therapy" market reforms and proved these bring results. What Poles call "Poland A" -- fast-track, modernizing, entrepreneurial -- has made major gains. After an initial sharp decline (18% of GDP), the economy grew at 4% in 1993 and may do even better this year, one of Europe's best rates. GDP is over 50% private. While core heavy industries are still state owned, manufacturing is about 40% private and that share is rising; construction and services are overwhelmingly private. Warsaw and other big cities are transformed, with growing middle classes and pockets of affluence.

But millions are left behind. "Poland B" -- insecure, depressed, disoriented -- represents the majority of the country. Unemployment has levelled off at 16% but is uneven: single digit in Warsaw and 25% or higher in some areas. Workers in some heavy industries and the public sector -- used to socialist-era entitlements -- have seen living standards drop and insecurity rise. New opportunities are abundant in some big cities but sparse in the provinces. Housing shortages limit workers' ability to move to jobs in dynamic areas. Crime is growing and it feeds a sense of insecurity. Around 20% of the country may be considered middle class or better; about 20% impoverished; the remainder is just getting by.

Poland's economic hardships result from the collapse of the Soviet trading system, recession in Western Europe, inherent deficiencies of communist economies and Poland's transformation to a market system. But many Poles blame the reforms for all their difficulties. Poland's lesson is that a flourishing private sector is necessary for successful reform, but not sufficient. Democratic government has a role in providing necessary services, regulation and helping people whom the new economy has not yet reached. Without this, reform's political base may erode faster than the new economy can strengthen it.

The Political Dimension. The Solidarity forces which took power in 1989 knew their political base might erode before they turned the economy around. The economic upturn they counted on arrived, but too late and too unevenly. September 1993 elections brought to power a coalition of the ex-communist Democratic Left Alliance

(SLD) and the Polish Peasant Party (PSL), which used to be a communist front in the farm areas. PSL's leader Waldemar Pawlak took over as Prime Minister; SLD reformers took the difficult economic portfolios. Walesa, exercising his constitutional power, named the foreign affairs, defense and interior ministers. Strains among these power centers are growing.

Leaving behind their anti-reform campaign rhetoric, SLD leaders have continued the economic reforms of previous Solidarity-based governments. Most top SLD leaders appear to be genuine converts to democracy and market reforms. But PSL tends toward social conservatism and statism. Their electorates -- SLD's industrial and some white collar workers and pensioners and PSL's peasants -- are ambivalent about reform, tempted by protectionism and inflationary subsidies. The prospect of integration into the West, emotional attachment to the U.S. and a deep desire to be part of a "normal" country has persuaded Pawlak and his PSL to acquiesce in reform. But unless more is done to address social strains feeding disillusionment, reform could be badly damaged.

The Security Dimension. The Poles, Walesa especially, push security as the core of the relationship. Like most CEE's, Poles feel exposed to what they see as a chaotic NIS and a neo-imperialist Russia. They do not feel immediately threatened but fear the West will, perhaps tacitly, allow Russia to reassume hegemony in CEE. The Polish government -- including Walesa in a recent letter to you -- has focussed on a request for \$25 million in bilateral military support and on NATO's expansion as symbolic of our intentions. Their concerns are often put in stark terms; they are quick to suspect the worst about a U.S. or NATO "special relationship" with Russia. Politically, lack of confidence in the West works against reformers committed to the Western option.

Warsaw's concerns are exaggerated but reflect Polish history. The Poles know the importance of a positive outcome in Russia. But they seek assurances that we will not, for the sake of our Russian equities, sacrifice them; that the road is open to Poland's (and CEE's) integration into the West; that NATO's expansion to new democracies is, as you said in Prague, a matter of when and how. The Poles seek an expanded NATO to include CEE, a strengthened NATO-Russian relationship, and more robust European institutional ties (e.g., via CSCE). After initial grousing, the Poles accepted PFP and are playing an active role; the first PFP exercise on former Warsaw Pact territory, scheduled for September, will take place in Poland, including U.S. forces. The Poles want a robust exercise.

OUR AGENDA

The Entrepreneurial Side. We should emphasize to Pawlak in particular that Poland's achievements in quelling inflation and achieving stability can still be undone; that an erosion of support for restructuring and privatization can leave the economy at an untenable half-way point on the verge of success. You can note past, ongoing and future U.S. efforts. Aside from bilateral assistance, we have taken the lead in coordination between the

U.S., EU, IFI's and key Western governments in providing economic support and assistance. You will be able to announce:

- A \$65 million Poland Partners Fund -- result of your Prague initiative to increase OPIC (Overseas Private Investment Corporation) engagement in CEE. Half the Fund comes from U.S. labor unions.
- An initiative to provide at least \$75 million equity for newly-privatized firms, working with the Enterprise Fund and EBRD.

The Social and Human Side. Your Administration recognizes the importance of attention to the human impact of economic dislocation. You announced this shift of approach in Prague and we have since sought to put it in programmatic terms. We should not suggest the U.S. or any outsider can resolve these problems, or that we should no longer stress continued macroeconomic stabilization and privatization. But we have worked with the Poles, and IFI's and the EU, to develop programs for the benefit of those who have suffered greatly as a result of economic decline. As examples of our efforts, you can announce:

- A micro-lending program to help set up businesses, targeted at high unemployment areas.
- A sustained effort to increase Polish housing construction -- perhaps the most depressed sector in the economy -- both by accelerating existing programs and setting up pilot demonstration projects.
- Joint efforts with the Poles to modernize their pension, welfare and health policy systems.
- A regional law enforcement initiative to fight white collar and organized crime.

Security and Poland's Integration. While deflecting exaggerated Polish concerns, you should confirm our interest in Polish security, our rejection of a Russian veto over CEE's integration into the West or a "special relationship" with NATO at CEE's expense and our intention to proceed on the course you charted in January. We then said NATO would expand and PFP was the best road to that expansion. We also said we would reorient bilateral military programs with CEE to support PFP. You can take next steps by announcing:

- Our intention that NATO expand on country-by-country basis, not just in the event of failure of democratic reform in Russia.
- The political bases for eventual NATO membership, including democracy, market economies and responsible security policies.

- Offer to seek \$100 million including \$25 million for Poland, starting in FY '96, for military cooperation with new Partners to support PFP initiatives.
- U.S. willingness to support a meaningful PFP exercise in Poland this September, the first to be held on former Warsaw Pact territory.

Bilateral Issues

- We may be able during the visit to exchange Instruments of Ratification for our Bilateral Economic Treaty (BET). You would simply note the event.
- As Pawlak mentioned in Prague, the Poles want to conclude our bilateral agreement on Poland's GATT reaccession. Final issues include poultry quotas and aircraft and semi-conductor tariffs.
- We are concerned about an on-again, off-again Polish tank sale to Iran.
- We have asked the Poles to set aside the sentence of former Polish Colonel Kuklinski, who, motivated by ideology, worked nine years for the CIA before being exfiltrated in 1981. This is sensitive in Poland.
- The Poles have pressed hard for Vice President Gore to attend their 50th Anniversary of the Warsaw Uprising.

EVENTS

Meetings with Walesa and PM Pawlak. The Walesa meeting will take place the first evening, followed by a press availability and State Dinner. You should discuss security, urge continued reforms and convey our awareness of social dislocation. With Pawlak the next day, you can stress market reforms and discuss our initiatives in greater detail.

Wreath Layings. You have three: the Tomb of the Unknown Soldier; a monument to the Warsaw Ghetto Uprising, accompanied by American Jewish Community leaders and; a monument to the Warsaw Uprising, whose 50th Anniversary falls August 1, accompanied by a Polish-American group. The Uprising is deeply-felt by all Poles.

Speech. You will address the Polish Parliament and guests the second day, also meeting briefly beforehand with the Marshals (speakers) of Parliament's two Houses.

CEE Foreign Ministers. After the speech you and Walesa will meet with the CEE Foreign Ministers, who will have held a Ministerial with Secretary Christopher.

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Divider Title: ARRIVAL CEREMONIES

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ARRIVAL CEREMONIES AT
WARSAW OKECIE AIRPORT, PRESIDENTIAL PALACE

CONTEXT OF EVENT

The Poles organize a set-piece arrival ceremony for every Official Visit. Your ceremony will be different because airport ceremony will be very brief and the major protocolary event will take place at the newly-renovated Presidential Palace (the Radziwill Palace). There will be no arrival statements.

BACKGROUND

Airport. You will be met by Foreign Minister Andrzej Olechowski (o-la-HOFF-ski) and other Polish government officials. Among them will be Jan Piekarski, (pye-KAR-ski), the new Deputy Chief of Protocol but until recently head of the U.S. Interests Section in Baghdad. Piekarski earned high praise (and a Superior Honor Award) from the State Department and deep thanks from Senator Boren for his work, including efforts on behalf of an arrested American citizen. Also among them will be newly-named Ambassador to the U.S. Jerzy Kozminski (kozH-MEEN-ski), whose credentials you accepted in June.

For the U.S., Ambassador Nicholas Rey and Mrs. Rey will be present, and others from the Embassy. Rey is a direct descendent of Mikolaj Rej, the greatest literary figure of the Polish Renaissance.

You will walk through an honor guard cordon to your limousine and depart for the Marriott Hotel.

Presidential Palace. This is a set piece, rather elaborate ceremony taking place both outside and inside the Palace.

DECLASSIFIED E.O. 13526
Department of State Guidelines, November 6, 2015
By VZ NARA, Date 6/6/2023
2016-0314-M-1

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Divider Title: **MEETING WITH PRESIDENT WALES**

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MEETING WITH
POLISH PRESIDENT LECH WALESA

CONTEXT OF MEETING

Walesa (va-WHEN-sa) considers himself the guarantor of Polish reforms; President since 1990, he has used his limited constitutional powers to push and prod Poland's market transformation and integration into the West. As you recall, Walesa's style combines deliberate (and frustrating) unpredictability, metaphors either colorful or opaque and natural forcefulness. Sometimes insightful and inspired, Walesa can be abrupt or rambling. Despite occasional populist rhetoric, Walesa has supported reform at virtually every difficult moment -- and there have been many -- even at considerable political cost to himself.

Walesa has held center stage in Poland since 1980, but in recent years his popularity has dropped sharply (only 25% support him, according to a recent poll). This stems partly from Walesa's difficulty in finding a Presidential as opposed to Tribune's voice, partly from his solo leadership style and partly from disillusionment with the reform program. Walesa will run for reelection in late 1995; he has not decided whether to run as an "anti-communist" outsider against the current government or as a Presidential figure above politics. He may look to his standing in the West to help him at home.

Despite an appreciation of the West's support before and after 1989, Walesa is uncertain of the West's commitment to CEE. He has more faith in the U.S. than in Western Europe, but worries we are tempted by isolationism or a "naive" pro-Russian tilt. Walesa has stated that the West's response to the democratic breakthrough in 1989 was inadequate and stressed to visitors that the overwhelming majority of Poles has suffered deprivation in the wake of the Communist collapse. He believes that the West should be of greater help to Poland.

Security will be central to Walesa's agenda -- he regards as inevitable Russia's return to neo-imperialism. He will press for movement on NATO expansion and assurance that Poland will not be left in an insecure "grey zone" outside the West. He has again staked out a position on NATO expansion and requested bilateral security assistance (\$25 million to support PFP activities), though less aggressively than before the Prague Summit. The Poles will host PFP's first exercise on former Warsaw Pact territory this September; we will take part. The Poles want a "muscular" exercise; we want to be supportive without turning it into a provocative event.

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2016-0314-M-1 (1,33)

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YOUR OBJECTIVES

- o Affirm that Poland's future lies with the democratic, free-market West and that the U.S. is committed to helping Poland on that road.
- o Set out U.S. views on European security, including our policy of NATO's gradual expansion to Eastern democracies such as Poland.
- o Affirm U.S. support for Poland's market transformation.
- o Convey your awareness of human problems created by the collapse of the old regime's economic system and our willingness to help Poland ameliorate them.

CORE POINTS

European Security, NATO, Poland

- o Expansion of democracy central goal of U.S. foreign policy. Want Poland, other CEEs, to take full-fledged place in a secure Europe. Reject insecure "grey zone" for CEE.
- o Led by U.S., NATO took firm decision in January to expand to Europe's new democracies. Should work together to make it happen in way that increases security, not confrontation.
- o The way ahead is open.
 - NATO's expansion will take place country by country.
 - New members must be democracies, market economies, responsible in their security and foreign policies.
 - PFP is the practical road to NATO membership. Militaries need time to work together. PFP provides means. Pleased Poland is active Partner.
 - Good that Poland will host first PFP exercise in former Warsaw Pact in September. Want exercise to be as robust as possible.
 - Russia cannot veto this process. A catastrophe in Russia would accelerate expansion, but expansion does not depend on democracy's failure in Russia.
- o Should work together to get Russia used to idea of NATO's expansion; to see it as stabilizing, not threat.
- o This will take time but direction is clear. Hope while President to welcome new democracies as new allies.

Bilateral Military Program

- o Have considered Poland's request for \$25 million to support your participation in PFP. You make good case that applies to other new partners, too.
- o Our next budget -- for year beginning October 1 -- is nearly set: I'm asking Congress for about \$25 million for military cooperation with CEE countries.
- o Will try to do more the year after. Will ask Congress for \$100 million for military cooperation with new Partners to support PFP initiatives. Request will include \$25 million for Poland.

Support for Free Market Reforms

- o Admire Poland's achievements since 1989; you're on the right track, proving free market transformation is possible.
- o Your role in supporting reforms is essential; I respect it. Keep fighting inflation; implement Mass Privatization.
- o Proud of U.S. support since 1989: \$200 million of the \$1 billion Stabilization Fund, unprecedented official debt reduction worth \$2.4 billion, the Polish-American Enterprise Fund capitalized at \$240 million. I intervened to support London Club (commercial debt) reduction deal expected to be worth over \$5 billion to Poland.
- o Will keep helping:
 - Seek more U.S. investment in Poland. Have brought U.S. executives here.
 - Will announce \$65 million Poland Partners Fund, a capital investment fund set up by OPIC. Half the Fund financed by American labor unions, so Lane Kirkland is part of this too.
 - Will announce initiative with Enterprise Fund and EBRD to bring \$75 million of capital resources to newly-privatized firms under Mass Privatization program.
 - Supporting Poland's accession to OECD.
- o Will improve coordination with EU, other Western supporters of Poland, CEE. Energize EU; make most of resources.
- o Want to finish up Business and Economic Treaty. We're ready to exchange Instruments of Ratification when Poland adheres to Berne Convention on intellectual property.
- o Should conclude our bilateral GATT reaccession talks. Very few issues remain; can compromise on poultry quotas; hope we can move semi-conductors and aircraft.

- o [If asked] Want to ensure greatest possible market access for Polish, other CEE products in U.S., EU. Free trade agreement might complicate Polish membership in EU.

Coping with Social Dislocation

- o Know people have been hurt by collapse of the old system. Unemployment and insecurity can generate social, political problems, even as Polish economy now grows fast.
- o Outsiders cannot solve problem; answer lies in growth, led by private sector. But cannot ignore human side.
- o Our governments have been consulting closely in recent weeks, discussing some ideas; listening to yours.
 - Want to accelerate housing construction: get existing program moving, start demonstration projects.
 - To fight unemployment, want to establish micro-lending program to help small businesses, especially in high unemployment areas.
 - U.S. prepared to send teams to help you modernize your pension, welfare and health policy systems.
- o We're both concerned about new mafias, some from outside Poland. Will announce new CEE law enforcement initiative to help Poles, others, fight white collar, organized crime.

Warsaw Uprising

- o (If asked). Admire Poland's decision to make this important commemoration a ceremony of reconciliation with Germans, Russians invited. U.S. will be represented at high level.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009b. report	report (2 pages)	04/28/1994	P1/b(1)

COLLECTION:

Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lisa Caputo)
OA/Box Number: 6054

FOLDER TITLE:

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994 [Binder]

2011-1037-F
kc1151

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
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Divider Title: **PRESS AVAILABILITY W/PRESIDENT WALES****A**

PRESS QUESTIONS AND ANSWERS

Bilateral Relations

Q: How would you characterize U.S.-Polish relations?

- A.
- Excellent and growing.
 - Polish, American people linked by history: Polish support for American Independence; U.S. support for Polish independence; WWII Allies -- Polish Army at Normandy; solidarity with Polish people through Cold War.
 - Linked today by shared objective of integrated Europe with Poland in it. Poland:
 - o A Democracy.
 - o Building vibrant, growing market economy.
 - o "Stability exporter"; good relations with neighbors.
 - Polish security important to the U.S; reject "grey zone" of insecurity for Poland, CEE.
 - U.S.-Polish dialogue very strong. Saw President Walesa, Prime Minister Pawlak in January in Prague; since then, Polish Foreign, Defense Ministers; Deputy Prime Minister travelled to Washington.
 - U.S.-Polish security partnership growing -- bilaterally and through PFP. Poland will host first PFP exercise in former Warsaw Pact in September.
 - Economic partnership important. Poland a success story; good place for investment. Among highest growth rates in Europe. U.S. hosting CEE Trade and Investment Conference this fall.
 - U.S.-Poland working together to help with social problems caused by collapse of old system.

Poland, Russia, NATO

Q: Can Poland join NATO?

- A. - In January, NATO made historic decision to expand to new democracies. Not whether but when and how.
- NATO's expansion not directed against any country; when it comes, will enhance Europe's security.
 - NATO requires serious commitments. Our pledge to defend Poland; Poland's pledge to defend all NATO members.
 - Not to be expanded lightly, in haste, or in ways that increase tensions.
 - Need to get ready -- via PFP as best road to NATO membership -- for NATO's obligations.

Q: Does U.S. have a "Russia First" policy; give Russia veto over Poland's joining NATO?

- A. - No. Want democracy, free markets, responsible security policies to succeed everywhere; new Europe to extend as far East as possible.
- Prepared to deal with a lesser outcome, if necessary; consolidate democracy where it takes root.
 - No non-NATO country -- neither Russia nor anyone else -- has a veto over NATO's expansion.

PFP

Q: How does the Partnership for Peace address Polish security needs?

- A. - PFP the best way to NATO membership.
- PFP means practical military cooperation, not talk.
 - Poland an exemplary Partner; moving out fast to prepare PFP work program.
 - Polish officers already at NATO Headquarters, in permanent offices.
 - Poland will host first PFP exercise in former Warsaw Pact this September. U.S., Polish, other Partner forces working together. Strong beginning.

Q: Will Russia have a privileged position in PFP?

- A. - No. Russia will be important member of PFP, but equal with all others. No "special relationship" at others' expense.
- NATO's strong, productive relations with Russia in everyone's interest. Natural that NATO and Russia will work on nuclear arms issues, other matters of common concern.

Complexion of Polish Government

Q: How does U.S. assess the post-Communist Polish Government?

- A. - Democracy, market reform, responsible security policies are key. Important what government does.
- Pleased that Polish government -- freely elected last September -- committed to market reforms, integration with democratic family of nations.
- Respect Prime Minister Pawlak's contribution; value President Walesa's role in supporting reforms consistently since his election in 1990.

Polish Economic Reforms

Q: How does U.S. assess Poland's economic reforms?

- A. - Poland has made great strides. Impressive 4 percent growth last year; highest in Europe. First new democracy country to turn corner.
- Poland proves transformation can work, and democratically.
- Poland's progress a tribute to Polish people: courage, patriotism, patience, talent.
- Poland a good place to do business, investment.
- Battle not yet over: need to keep fighting inflation, maintain budget discipline, continue restructuring, privatization.
- Don't minimize hardship, unemployment caused by old system's collapse. Reform the cure, not the cause.

U.S. Economic Support

Q: How can U.S. help Poland's reforms?

- A.
- Proud of U.S. support for Polish reforms.
 - U.S. biggest investor in Poland by far.
 - o \$1.2 billion by 1993. Coca Cola, Procter and Gamble, Ameritech, Levi Strauss, Gerber, Dupont Conoco, Int'l Paper, others investing; providing jobs for Americans, Poles.
 - Poland largest recipient of U.S. financial support in region.
 - o U.S. organized \$1 billion Stabilization Fund, \$2.4 billion in debt relief, Polish-American Enterprise Fund with capital base of over \$340 million; support commercial bank debt reduction (London Club) this year.
 - Want to work with Poland to increase trade and investment: represents the future.
 - o Look forward to CEE Trade and Investment Conference this fall.
 - o U.S. OPIC (Overseas Private Investment Corporation) has established a \$65 million Poland Partners Fund to support investment.
 - o Working to resolve final issues, allow Poland to reaccede to GATT as market economy.
 - o Most Polish goods enter U.S. market duty free. Designated Poland as market economy for purposes of anti-dumping laws; under Uruguay Round, U.S. committed to liberalization and then elimination of all cheese and textile quotas in ten years.
 - o Poland should keep improving conditions for foreign investors: streamline regulations, tax laws; develop infrastructure.
 - U.S., Poland working together to manage social problems from the past. Want:
 - o To stimulate housing construction, reduce unemployment through job creation, fight organized and white collar crime.
 - o Working in partnership to help Poland reform social security systems, make compatible with market economy.

Market Access

Q: What is U.S. doing to increase market access to Poland, CEE?

- A:
- Future prosperity depends on trade and investment to allow reformed economies to grow fast. Working with EU to ensure we all do our part.
 - U.S. has extended MFN and GSP (duty-free entry for a wide range of products) to all CEE, except Serbia/Montenegro.
 - Have reduced few barriers that remain: e.g., by negotiating generous textile agreements with most CEEs. Will eliminate additional barriers to CEE exports through Uruguay Round.
 - No quotas for Poland except textiles and cheese, and these will be eliminated under Uruguay.

Warsaw Uprising

Q: Who will represent U.S. at Warsaw Uprising Commemoration?

- A.
- Warsaw Uprising heroic event -- tribute to Allied Poland; entire Polish people.
 - Commend President Walesa's determination to making Commemoration an act of reconciliation.
 - U.S. will be represented at a high level.

"Rifle Affair"/Szwonder Case

Q: Why did U.S. Customs Service Entrap Six Innocent Poles?

(NOTE: In 1992, U.S. Customs arrested six Poles in Germany after a sting operation on weapons trafficking charges. Poles regarded this as set-up; many accused U.S. of behaving like USSR. New York trial resulted in acquittals.

- A.
- Six Poles were arrested in Germany on charges of seeking to export weapons to Iraq, through the U.S. U.S. trial returned not guilty verdicts.
 - Judicial, not legal matter. Should put behind us.

Radio Free Europe

Q: Why are you shutting down RFE's Polish service, moving rump to Warsaw as commercial station?

- A. - All are proud of RFE's role as voice of truth and freedom during long decades of imposed communist rule in Poland.
- World has changed; RFE reorganizing, changing.
- We're looking for best formulas.

Colonel Kuklinski

Q: Is U.S. asking Poland to set aside sentence against former CIA spy Colonel Kuklinski? (NOTE: Kuklinski worked in place for CIA prior to martial law; now in U.S. We recently asked Poland to set aside sentence. Very sensitive case in Poland.)

- A. - Matter is complex; not here to discuss this matter.
- (If pressed). Kuklinski's actions took place in different era, different world.

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Divider Title: **DINNER HOSTED BY PRESIDENT WALES**

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DINNER HOSTED BY
POLISH PRESIDENT LECH WALESZA

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PER E.O. 13526
7016-0314-M-1 (1,35)
6/42/2023 RZ

CONTEXT OF EVENT

This will be a large, formal dinner -- the first at the newly-refurbished Presidential (Radziwill) Palace. The occasion gives you the chance to continue with topics not fully covered in the earlier bilateral. It is Walesa's usual style to be aggressive at the start of meetings, so by the dinner you may have heard a lot about Polish NATO membership and the alleged inadequacies of the West's response to post-1989 Europe. At the dinner itself, however, Walesa may be comparatively relaxed. It is a good chance to discuss regional developments, Russia and Poland's transformation and Walesa's role in it. You and Walesa will exchange toasts.

YOUR OBJECTIVES

- o Underscore U.S. commitment to Poland's reforms and to Poland's becoming a full member of an integrated Euro-Atlantic world.
- o Reiterate Walesa's important role in keeping Poland's reforms on track.
- o Emphasize your recognition of Poland's progress to date, while stressing the need to continue market reforms and deal with social dislocations.
- o Urge that U.S. and Poland work together to handle Euro-Atlantic expansion carefully, rejecting any suggestion that the U.S. will give Russia a tacit or explicit veto over the process.

CORE POINTS (Text of toast to be provided separately)

U.S. Commitment

- o Poland key to our objective of a secure Europe of market democracies.
- o Committed to Poland's full integration: reject "grey zone" for CEE; no Russian veto; Polish security important.
- o U.S. is rejecting neo-isolationism. Will stay engaged.

Walesa's role

- o Respect your historic role as Solidarity's leader, first President of new Poland. Kept reforms on track.

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- o Value your pledge to be guarantor of reforms.
- o Pleased you signed Polish budget; boosts international confidence.

Poland's Progress, Problems

- o Poland a success; shows radical reforms work.
- o Impressive growth; new preliminary IMF Stand-by Agreement, increasing interest by investors show promising future.
- o "Poland A" -- growing, entrepreneurial, active Poland -- is the future. But "Poland B" -- mired in depression, unemployment, less private activity -- can drag you down.
- o U.S. wants to keep supporting entrepreneurial Poland fulfill potential; at same time, help you cope with social, human dislocation. U.S. working with IFI's and EU to organize joint efforts.

European Integration

- o NATO's decision to expand, PFP, put us on road to expansion of Western democratic community.
- o Appreciate Poland's constructive policy toward Eastern neighbors. Your friendship with Ukraine helps; Kravchuk cites your arguments in his decision to agree to denuclearize Ukraine.
- o We know your history with Russia. Always danger of history repeating itself. But for first time Russian people have voice. If democracy takes root, Russia will turn toward improving lives of its people.
- o Aware of past; are prepared for adversarial relations if we must; but must work for better outcome if we can.

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Divider Title: **TOMB OF UNKNOWN SOLDIER**

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WREATH LAYING
TOMB OF THE UNKNOWN SOLDIER

CONTEXT OF THE EVENT

This is a standard ceremonial event for State visits. The Tomb of the Unknown Soldier is a four column single-story structure -- all that remains of the Saxon Palace blown up by the retreating Germans. The ceremony is a set piece without formal remarks. You will be asked to sign the Book of Remembrance adding appropriate comments. Invited guests will include Polish-Americans accompanying you.

YOUR OBJECTIVES

- o Demonstrate U.S. respect for Polish independence and those who defended it.
- o Note Poland's role as WWII Ally, as noted in the Tomb's inscriptions of battles in Polish history.

CORE POINTS

- o Poland and the world owe much to the valor of Polish soldiers.
- o Poland is taking rightful place as member of Western, democratic family: once an ally, now a friend, perhaps an ally again.

BACKGROUND

Inscribed on the tomb are the names of significant battles in Polish history, including defeat of the Teutonic Knights in 1410. The taking of Moscow in 1610, the failed Kosciuszko Uprising in 1794, the defeat of the Bolsheviks in 1920, the Warsaw Jewish Ghetto Uprising in 1943, the Warsaw Uprising in 1944, and WWII battles in which the Poles fought as Allies. Democratic governments after 1989 added the names of many battles consigned to "non-history" under the old regime.

CEREMONY

A military band and honor guard will be to your right; guests to your left. You will follow soldiers bearing the wreath and marching at a slow step. The soldiers place the wreath while you place your hand over your heart as the military band sounds a trumpet call. Afterwards, a Polish officer will brief you on the history of the Tomb and Polish military history. You sign the book at the end. You will not make any remarks.

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Department of State Guidelines, November 6, 2015
By N NARA, Date 6/6/2023
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Divider Title: **CEREMONY AT WARSAW GHETTO MEMORIAL**

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CEREMONY AT
WARSAW GHETTO UPRISING MEMORIAL

CONTEXT OF EVENT

The event marks our respect for the heroes of the Jewish Ghetto who took up arms in courageous, hopeless defiance. In April 1993, Vice President Gore attended the 50th Anniversary Commemoration of the Warsaw Ghetto Uprising, organized by Lech Walesa. You will make brief public remarks in this candle-lighting ceremony. A small group of leaders from the American and Polish Jewish communities will be present. The monument is located in what was a pre-War Jewish neighborhood and then part of the Ghetto. The Germans razed the entire area; the apartments now standing are post-war.

YOUR OBJECTIVES

- o Demonstrate our undiminished memory of the Holocaust.
- o While acknowledging the uniquely horrible character of the Holocaust, note that the dark purveyors of ethnic and racial hatred are still among us.

BACKGROUND

Pre-WWII Poland was a multi-ethnic society with a significant Jewish minority (9 percent of the population, 30 percent of pre-War Warsaw). Jews had been present in Poland since the 14th century; a large percentage of American Jews trace their ancestry to lands now or once Polish. The German occupiers built the Warsaw Ghetto in 1940; Jews found outside without permission were put to death at once. After the systematic mass killings began in 1941, hundreds of thousands of Jews were taken from the Ghetto and transported to death camps from an embarkation point three blocks north of the Monument.

With only about 60,000 Jews left alive and German intentions clear, several hundred mostly young Jews took up arms in an effort to die fighting. The Uprising began on April 19, 1943, during Passover. They beat back initial German assaults and held out for 22 days. The Germans burnt the Ghetto down and flushed out the fighters building by building. Some escaped through the sewers. A few survive to this day, including one of the leaders, Marek Edelman, who remained in Poland and became a Solidarity activist and celebrated Polish hero.

Poland's tiny (under 10,000) Jewish community -- while mostly old and impoverished -- has been strengthened since 1989 by some young families who have rediscovered their ethnic heritage.

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Department of State Guidelines, November 6, 2015
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Divider Title: **MEETING W/SPEAKERS OF BOTH HOUSES**

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MEETING WITH POLISH PARLIAMENTARY SPEAKERS
SEJM MARSHAL OLEKSY AND SENATE MARSHAL STRUZIK

CONTEXT OF MEETING

Shortly before your speech in the Sejm ("same"), you will proceed for a brief meeting in the Parliament Building with the Marshals (speakers) of the Sejm and Senate. Poland's provisional constitution (a permanent constitution is being drafted) provides for a parliamentary system of government. The Sejm is by far the more powerful body and its Marshal an influential figure. The Senate, in existence only since 1989, is little more than advisory.

Sejm Marshal Jozef Oleksy (o-LEK-see) is a leader of the largest Parliamentary party, the Democratic Left Alliance (SLD), one of the two ruling parties. Both SLD and its governing partner, Prime Minister Pawlak's Polish Peasant Party (PSL), have old regime antecedents but so far have maintained a generally reformist direction. Widely regarded as reformist, Oleksy describes himself as a Western social democrat as opposed to "left populists" in his party. Nevertheless, Oleksy has been publicly skeptical about reliance on the U.S. to support Polish integration into the West. In this, he reflects a view, held by a variety of political figures, that the U.S. is not genuinely interested in CEE and that Poland has to explore alternatives to an (allegedly) futile search for Western acceptance.

Struzik (STRU-zhik) is a less dynamic figure, with mixed PSL and Solidarity background. He is a doctor and has managed a provincial hospital in the city of Plock. Personally close to Pawlak, Struzik is the closest thing to a modern, reformed PSL leader. He speaks of PSL building on its conservative base rather than old regime past and becoming a Polish version of the German CDU/CSU.

YOUR OBJECTIVES

- o Stress U.S. commitment to support democratic Poland's full integration into the West.
- o Confirm U.S. willingness to work with Poland's democratically-elected government on the basis of its programs, not its ideological antecedents.
- o Urge continuation of Poland's bold, successful market reforms.
- o Note U.S. interest in helping Poland deal with human and social dislocation caused by the failed former system.

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CORE POINTS

U.S. Goals

- o U.S. seeks expansion of democratic family of nations from Euro-Atlantic base. Poland included.
- o Our vision inclusive: no anti-Russian encirclement or bloc.
- o No Russian veto either; reject CEE in "grey zone."
- o Must manage expansion of trans-Atlantic, other institutions (NATO) in way that increases everyone's security.
- o Pleased by Polish participation in PFP. Is road to increased Polish security, NATO membership. Hope Parliament will support this program.

Polish Reforms

- o Basis of U.S.-Polish relations remains democratic, market reforms in Poland and U.S. support.
- o Poland's progress since 1989 impressive. Past the worst.
 - Important to continue market transformation, mass privatization, continued macroeconomic stability; keep inflation from returning and destroying gains.
 - Aware of human and social dislocation caused by collapse of old system. Want to help; U.S. ready with specifics.
- o Reject "third way" of statist protectionism. Has been tried
 - Africa, Latin America, South Asia -- always failed.
- o Sejm, Senate passed sound budget; now IMF has concluded another preliminary agreement with GOP worth \$773 million. Will parliament maintain reformist direction?

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
013b. report	report (2 pages)	06/16/1994	P1/b(1)

COLLECTION:

Clinton Presidential Records
First Lady's Office
First Lady's Press Office (Lisa Caputo)
OA/Box Number: 6054

FOLDER TITLE:

President Clinton's Trip to Riga, Latvia and Warsaw, Poland, July 1994 [Binder]

2011-1037-F
kc1151

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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013c. report	report (1 page)	06/16/1994	P1/b(1)
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COLLECTION:

Clinton Presidential Records
First Lady's Office
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2011-1037-F
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Divider Title: **MEETING WITH PRIME MINISTER PAWLAK**

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MEETING WITH
POLISH PRIME MINISTER WALDEMAR PAWLAK

CONTEXT OF MEETING

Pawlak (PAHV-lak) is young, a farmer as well as politician and a product of post-1989 Poland rather than an apparatchik. He owes much of his rise to Lech Walesa, who once saw him as a protegee. Pawlak's lack of outward sophistication has led friends and enemies to underestimate him. Soft-spoken, adept at maneuver and skilled at hiding his considerable ambition, Pawlak is ambivalent about to Poland's market reforms. As Premier, he supported a sound 1994 budget that earned IMF support.

Pawlak's Polish Peasant Party (PSL), however, is an anti-reform bastion. It seeks to represent the interest of the more than 30% of the population living on farms. The party is a direct descendent of a communist satellite party and its internal structures are less remade than those of its coalition partner, the reborn former communists. PSL's committed electorate -- small-holding peasants -- are conservative on social issues, isolationist on foreign policy and statist and protectionist on economic issues. PSL's social conservatism has garnered considerable Catholic Church support. The Party's popularity is rising, as it avoids association with tough economic reforms.

Pawlak has little responsibility for foreign affairs. He focusses on economic issues, and there is considerable tension between PSL and the reformers -- young intellectuals from the ex-communist party -- who run key economic ministries. Pawlak plays a balancing game, maintaining macroeconomic stability, keeping privatization on track though at a lesser pace and pushing PSL patronage interests hard behind the scenes. While the Polish economy is growing strongly, a lack of GOP leadership could weaken reform at a midpoint and allow inflation to return.

You met Pawlak in Prague last January. One notion he suggested, without elaboration then or since, was an economic "Partnership for Prosperity." This meeting is a place to focus on economic and social issues and he may bring up his "PFP"; you should not. Pawlak wants an invitation to the U.S. in 1995 but we should be careful: Presidential elections will be held that fall and Pawlak may run against Walesa. In May, Pawlak sent you an e-mail greetings on Internet and will appreciate your referring to it.

YOUR OBJECTIVES

- o Strengthen Pawlak's commitment to Poland's market transformation, stressing the need to fight inflation and continue structural transformation.

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- o Convey your awareness of human problems created by the collapse of the old regime's economic system and our willingness to help Poland ameliorate them.
- o Raise bilateral trade issues.
- o Affirm that Poland's future lies with the democratic, free-market West and that the U.S. is committed to helping a democratic Poland on that road.

CORE POINTS

Support for Free Market Reforms

- o Poland's achievements since 1989 impressed the world; on the right track but more to do. Inflation could return and wipe out gains. Important to carry out Mass Privatization.
 - Continued reforms require leadership to continue. Hope we can count on you.
- o Proud of U.S. support: Stabilization Fund, unprecedented official debt reduction, Enterprise Fund. I supported successful London Club (commercial debt) reduction.
- o We'll keep helping:
 - Seek more U.S. investment in Poland. Have brought U.S. executives here.
 - Will announce \$65 million Poland Partners Fund, a capital investment fund set up by OPIC.
 - Will announce initiative with Enterprise Fund and EBRD to bring \$75 million of capital resources to newly privatized firms.
 - Support Poland's accession to OECD.
- o Will improve coordination with EU, other Western supporters of Poland, CEE. Energize EU; make most of resources.
- o Want to finish up Business and Economic Treaty. We're ready to exchange Instruments of Ratification when Poland adheres to Berne Convention on intellectual property.
- o Agree we should conclude our bilateral GATT reaccession talks. Very few issues remain; can compromise on poultry quotas; hope we can move semi-conductors and aircraft.
- o (If asked) Want to ensure greatest possible market access for Polish, other CEE products in U.S., EU. Free trade agreement might complicate Polish membership in EU.

Coping with Social Dislocation

- o People have been hurt by collapse of the old system. Unemployment and insecurity can generate social, political problems, even as Polish economy grows fast.
- o Outsiders cannot solve problem; answer lies in growth, led by private sector. But cannot ignore human side.
- o Our governments have been consulting closely in recent weeks, discussing some ideas; listening to yours.
 - Want to accelerate housing construction: get existing program moving, start demonstration projects.
 - To fight unemployment, want to establish micro-lending program to help small businesses, especially in high unemployment areas.
 - U.S. prepared to send teams to help you modernize your pension, welfare and health policy systems.
- o We're both concerned about new mafias, some from outside Poland. Will announce a new CEE law enforcement initiative to help Poles, others, fight white collar, organized crime.

European Security, NATO, Poland

- o Expansion of democracy central goal of U.S. foreign policy. Want Poland, other CEEs, to take full-fledged place in a secure Europe. Reject insecure "grey zone" for CEE.
- o Led by U.S., NATO took firm decision in January to expand to Europe's new democracies. Should work together to make it happen in way that increases security, not confrontation.
- o Should work together to get Russia used to idea of NATO's expansion; to see it as stabilizing, not threat.

Bilateral Military Program

- o Have considered Poland's request for \$25 million to support your participation in PFP. Your case applies to other new partners, too.
- o Our next budget -- for year beginning October 1 -- is nearly set: I'm asking Congress for about \$25 million for military cooperation with CEE countries.
- o Will try to do more the year after. Will ask Congress for \$100 million for military cooperation with new Partners to support PFP initiatives. Request will include \$25 million for Poland.

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014b. report	report (2 pages)	06/15/1994	P1/b(1)

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2011-1037-F
kc1151

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Divider Title: **SPEECH AT POLISH PARLIAMENT**

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SPEECH TO THE POLISH PARLIAMENT

CONTEXT OF EVENT

This is the major speech of the July trip and intended to reach CEE, all-European and U.S., as well as Polish, audiences. Both Houses of the Polish Parliament (the Sejm and Senate) will be in attendance; guests will include Americans accompanying you from the U.S. A peripheral body under the old regime, since 1989 the Polish parliament has been a center of the country's political life. President Bush addressed the Parliament in July 1989; Vice President Gore did so in April 1993.

YOUR OBJECTIVES

- o Underscore the U.S. objective of building a bigger trans-Atlantic community, including as many of the new CEE and NIS democracies as possible.
- o Affirm your commitment to Polish democracy, security and market reform.
- o Make clear our intention that NATO expand to new democracies, including a democratic Poland.
- o Strengthen Polish commitment to reform at a difficult mid-way point, stressing U.S. respect for Polish accomplishments to date and awareness of social and human dislocation.
- o Showcase U.S. initiatives to help Poland further its transformation begun in 1989.
- o Link the liberation of Europe begun in Normandy with our own efforts today.

CORE POINTS (Speech text to be provided)

BACKGROUND

You will be speaking to a special session of the Sejm ("SAME"). The main chamber seats 546 people on the main floor with another 200 in the gallery. The building dates from the 1920's; it was rebuilt after WWII.

September 1993 elections produced, from 36 percent of the popular vote, a nearly 65 percent majority for two parties with antecedents in the old regime -- the Alliance of the Democratic Left and the Polish Peasant Party -- who constitute the government coalition. Post-Solidarity parties constitute most of the opposition. You are speaking at the formal invitation of Sejm Marshal (speaker) Jozef Oleksy, one of the most pro-reform ex-communist leaders.

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Department of State Guidelines, November 6, 2015

By VZ NARA, Date 6/6/2023

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Divider Title: **CEREMONY AT WARSAW UPRISING MEMORIAL**

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CEREMONY AT
WARSAW UPRISING MEMORIAL

CONTEXT OF EVENT

The Warsaw Uprising beginning August 1, 1944 was the high point of Polish resistance to Germany during WWII and an event of stirring heroism as well as terrible suffering. The Uprising has enormous significance to Poles everywhere, and your participation in a commemorative ceremony at one of Warsaw's monuments to the Uprising will be appreciated. You will be accompanied by a group of Polish-Americans who came with you to Warsaw. One of several monuments to the Uprising, the "Little Soldier" Monument commemorates children who fought in the Uprising. It stands by the Medieval old city wall.

YOUR OBJECTIVES

- o Pay tribute to the heroes of the Uprising and, more broadly, to Poland's contribution to the Allied effort in WWII.
- o Link Polish resistance in WWII to our themes from Normandy and our objectives of expanding democracy in Europe today.

CORE POINTS (Remarks to be provided separately)

BACKGROUND

In the summer of 1944 the Soviet Army was pushing back the Germans along a broad front in Poland and appeared ready to take Warsaw. But the pro-Western London Government-in-exile and its Home Army in Poland were worried about Soviet political intentions. The Poles believed they could forestall a communist takeover only if they themselves liberated their capital before the Soviets arrived.

As the Soviets approached Warsaw, the Home Army launched its Uprising on August 1, 1944 and quickly seized control of most of the city. But they failed to capture the Vistula River bridges and major roads. At that point, the Soviet advance came to a halt just outside Warsaw, probably on Stalin's orders. With the Soviets standing still across the river, the Germans had time to crush the Uprising. Bitter fighting took place for two months as the German ring tightened. Stalin complicated U.S. and British efforts to supply the Home Army by air (though our efforts are still remembered fondly by Home Army veterans). In October, the Home Army surrendered. The Germans dynamited what was left of Warsaw. The Soviets resumed their advance in January, 1945 and installed a communist regime that lasted until 1989.

The Poles seek high-level U.S. attendance at the 50th Anniversary Commemorative event to be held this August 1. Mitterrand, Major, Herzog and possibly Chernomyrdin are planning to attend and the Poles have pressed for the Vice President to represent us.

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Divider Title: **RECEPTION WITH CEE FOREIGN MINISTERS**

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2016-0314-M-1 (1.41)

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**RECEPTION FOR
CEE FOREIGN MINISTERS**

CONTEXT OF EVENT

While your visit is bilateral, the Warsaw stop also reinforces our commitment to democracy, security and market economic reform in Central and Eastern Europe as a whole. This point is especially important for southern tier states -- Romania and Bulgaria, Albania -- who believe themselves to have made major sacrifices in adherence to the Serbian sanctions regime and worry they have decidedly second-tier status in our thinking.

The Poles easily accepted our request and invited the CEE Foreign Ministers: Albania, Bulgaria, the Czech Republic, FYROM, Hungary, Romania, Slovakia and Slovenia to meet with Secretary Christopher; we later added Croatia and Bosnia. Your meeting with them takes the form of a reception at the Presidential (Radziwill) Palace following your speech to the Polish Parliament and two ceremonial events.

While each foreign minister has separate concerns, all support continued U.S. engagement in Europe and CEE, seek greater U.S. investment in their countries and urge that the U.S. not consign their region to a Russian sphere of influence or security "grey zone." Secretary Christopher will have met with the CEE Foreign Ministers for two hours that afternoon; he will brief you on the results of the meeting. You will meet with each Foreign Minister briefly and informally in the course of the reception.

YOUR OBJECTIVES

- o Underscore U.S. support for democracy, security and economic reform throughout CEE.
- o Emphasize to southern-tier CEE's -- especially Bulgaria and Romania -- that we do not consign them to inferior status but that our relations will be a function of their progress toward democracy and economic reform, and conduct of responsible foreign policies.
- o Emphasize to front-line states that we appreciate their support for Serbian sanctions and hope for a settlement soon.
- o Convey particular points to individual Foreign Ministers.

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CORE POINTS

U.S. Objectives in CEE

- o U.S. seeks expansion of democratic family of nations from Euro-Atlantic base. All CEE can be part.
- o Our vision inclusive: no anti-Russian encirclement or bloc; no Russian veto either; reject CEE in "grey zone."
- o Must manage expansion of trans-Atlantic, other institutions, e.g., NATO, in way that increases everyone's security.
- o Pleased by CEE participation in PFP. Is road to NATO membership. Hope your governments will continue to support.

CEE Reforms

- o Basis of U.S. relations with CEE's remains democratic, market reforms, U.S. support for transformation.
- o Progress impressive. Some CEE's past the worst, show way for others.
 - Important to continue market transformation, mass privatization, macroeconomic stability.
 - Aware of human and social dislocation caused by collapse of old system. Want to help.
- o Reject "third way" of statist protectionism. Has been tried -- Africa, Latin America, south Asia -- always failed.
- o Reforms not the cause of problems but the cure. Slowing reforms not answer.
- o U.S. engaged: greater coordination with EU, major Western countries, IFI's to help across board; Trade and Investment Conference in fall, expanded OPIC programs; new efforts to help with social dislocation. Try in Poland; perhaps expand.

Specific Country Points

- o **Bulgaria, Romania, Macedonia, Hungary:** Urge continued adherence to Serbian sanctions; understand how difficult, joint efforts on transport corridors, infrastructure can ease some burden.
- o **Romania:** (FM Teodor Melescanu (meh-lesh-KAH-noo)): Pleased by Romania's progress with IMF, World Bank; support for PFP. Important now to continue reforms.

- o **Bulgaria:** (FM Stanislav Daskalov (DAWS-kloff)): Important to restart reform momentum. Want to see Bulgaria succeed; important to avoid false sense of isolation or neglect.
- o **Hungary:** (State Secretary Janos Martonyi (MAHR-tohn-yee) will head delegation; FM designate Kovacs (KO-vach) will be in delegation): Look forward to working with new government. Appreciated President Goncz's assurance that Hungary's reforms and pro-Western policies would continue.
- o **Albania:** (FM Alfred Serreqi (seh-RECH-ee)): Encourage progress in treatment of its ethnic Greek minority. Understand concern about Kosovo; very much on U.S. agenda.
- o **Slovakia:** (FM Edward Kukan (KU-kahn)): Support new government's reformist direction; intensifying efforts to help. Hope September elections support continued reforms. Welcome President Kovac's commitment to reform from June 21 meeting.
- o **Czech Republic:** (FM Josef Zieleniec (ZHE-len-ets)): Republic doing well. Each country's integration to West will be individual; we look to new democracies to cooperate regionally, too. (If asked: Hope to resolve complex budgetary issue of possible RFE/RL move to Prague.)
- o **Slovenia:** (FM Alojz Peterle (PAY-ter-lay)): Slovenia becoming success story. We support your integration into West and have made that point with GOI. Difficult to lift arms embargo, but want to find ways to recognize Slovenia's status as apart from conflict in former Yugoslavia.
- o **Croatia:** (FM Mato Granic (GRA-nich)): All parties should accept Contact Group territorial compromise. Negotiations only road to peace. Peace your first step to West. Should renew UNPROFOR.
- o **Bosnia:** (FM Irfan Ljubijankic (lyoo-BYAN-kich)): Pleased Congact Group produced realistic, serious territorial compromise; is best chance for peace. International will to enforce strong; serious incentives and disincentives.
- o **Poland:** (FM Andrzej Olechowski (o-la-HOFF-ski)): Appreciate Polish hosting meeting. Understand Polish interest in moving rapidly toward Western integration; are making progress.

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Divider Title: AMERICAN COMMUNITY EVENT

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MEETING WITH AMERICAN COMMUNITY

CONTEXT OF EVENT

This is your opportunity to make contact directly with the large and diverse official American community in Warsaw. Ambassador Nicholas Rey has been at post since the fall.

YOUR OBJECTIVES

- o Acknowledge the work of Americans and their families representing the U.S. in Poland and the Polish employees who support them.
- o Note the broad scope of work the community is engaged in; new missions for a new Europe.

CORE POINTS (Text of remarks to be provided)

BACKGROUND

The Warsaw Embassy, a small Iron Curtain reporting post in 1989, is now hub of a strong American effort to help Poland complete its transformation. The official community numbers 270, including Peace Corps, long-term advisors and Embassy staff. There are 154 American family members not employed by the Embassy and 440 Polish nationals working for the Embassy. The Peace Corps presence is among the largest in the world. We also have Consulates General in Krakow and Poznan.

The meeting will take place following the formal Departure Ceremony at the Presidential Palace at the Ambassador's Residence. Built in the early-1960's, the Residence is located in an attractive neighborhood.

The Residence took on special significance during the mid- and late-1980's, when it served as unofficial haven and meeting place for Solidarity intellectuals. Jaruzelski once remarked derisively that "Solidarity was just a bunch of intellectuals who went to dinner at (then Ambassador) John Davis' house." One year later, Jaruzelski sat down to lunch with the newly-empowered Solidarity leadership and President Bush. After 1989, the Residence (then home to former Ambassador Tom Simons) served as a place where Poles of all political persuasion could meet and conduct business.

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Department of State Guidelines, November 6, 2015
By RL NARA, Date 6/6/2023
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Divider Title: DEPARTURE CEREMONIES

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DEPARTURE CEREMONIES AT
THE PRESIDENTIAL PALACE AND OKECIE AIRPORT

CONTEXT OF EVENT

The by-the-numbers departure ceremonies, standard for every Official Visit, are the exact reverse of the Arrival Ceremonies. No remarks are required.

BACKGROUND

The elaborate departure ceremony will take place at the Presidential Palace. You will proceed to the airport immediately after greeting the official American community at the Ambassador's Residence.

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Divider Title: **BACKGROUND INFORMATION**

BACKGROUND INFORMATION

Index

U.S. Investment in Poland
U.S. Economic Assistance to Poland
Poland, NATO and the Partnership for Peace
European Union-Polish Relations
U.S. Economic Assistance to Poland
U.S.-Polish Trade Issues
U.S.-Polish Bilateral Issues
Radio Free Europe/Radio Liberty
Prague Initiatives Checklist

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U.S. INVESTMENT IN POLAND

U.S. investment in Poland has grown rapidly as the Polish economy recovered from the initial shocks imposed by adjustment and the breakdown of the CEMA trading area. At the close of 1993, U.S. investments in Poland totalled approximately \$1.2 billion, with another \$1.0 billion committed to future projects. U.S. investment, in fact, dwarfs that of other nations, accounting for approximately 44 percent of total foreign investment in Poland. Italy (11 percent), France (7 percent) and Germany (6 percent) follow. Major U.S. corporate investors include Coca Cola, Proctor and Gamble, Ameritech, Levi Strauss, Gerber and Dupont Conoco. U.S. interest in portfolio investment in Poland has also grown rapidly.

This U.S. investment interest stems first from Poland's consistent reform effort and strong macroeconomic performance. Poland was the first country in Eastern Europe to return to growth during the 1990s, with a 1.5 percent increase in real GDP in 1992 and a further 4.0 percent increase in 1993. In 1994, that growth is expected to further accelerate to between 4.5 and 5.0 percent. Investors cite Poland's large internal market (35 million people), skilled workforce, relatively low manpower costs, improving intellectual property rights protection and growing access to markets in the European Union (with whom Poland has negotiated an association agreement, which will provide for essentially free trade within a decade). U.S. investors have benefitted from strong support from the Overseas Private Investment Corporation, the Trade and Development Agency and the U.S. Export-Import Bank.

Investors remain concerned about the poor state of Polish infrastructure, an inefficient and risk-adverse banking system, a still poorly developed capital market and the unexpectedly slow pace of large-scale privatization, which has left many major industrial plants in the hands of the government. Residual concerns exist about regional stability, popular support for reform within Poland, and the longer-term economic policies of the center-left coalition elected in September, 1993.

To stimulate further trade and investment, the U.S. will sponsor a Conference on Trade and Investment in Central and Eastern Europe during the fall of 1994. This conference will bring together investors from the United States with policy-makers from CEE countries. Its purpose is to focus attention on the potential for U.S. trade and investment in the region, obstacles and steps CEE governments can take to promote it.

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U.S. ECONOMIC ASSISTANCE TO POLAND

With cumulative U.S. commitments exceeding \$4 billion, Poland is by far the largest recipient of U.S. assistance in Central and Eastern Europe. The total includes \$2.4 billion in debt reduction, a debt-for-environment swap, Eximbank and OPIC programs and food assistance.

SEED Act Support: We have provided, through the first half of FY 1994, nearly \$660 million of Support for East European Democracy (SEED) funds for Poland -- almost half of the entire SEED total for the region. SEED priorities for Poland focus on private sector and enterprise development; financial sector development and economic restructuring; and strengthening public and private institutions essential to a market economy and democracy. This Administration has sharpened our focus. We will cut extraneous programs and concentrate on a) entrepreneurial development and b) programs to help cope with social dislocation.

The Polish-American Enterprise Fund (PAEF): The Enterprise Fund is the largest single activity in the U.S. assistance portfolio and regarded as one of the most successful. With \$240 million of USG funds and total capital of over \$340 million, the Fund offers loans, equity capital and technical assistance directly to private firms to promote private sector development. The PAEF's small loan program has provided over 2,500 loans, worth over \$60 million, to private entrepreneurs, resulting in the creation of nearly 10,000 new jobs.

Stabilization Fund: In 1989, the U.S. initiated establishment of a multi-donor reserve of \$1 billion to support the convertibility of the Polish zloty. (The U.S. contribution was \$200 million.) By 1993, the stabilization fund had served its purpose. In its place the Polish Government (GOP) and bilateral donors established the Polish Bank Privatization Fund. It is intended to support the GOP's efforts to recapitalize, restructure and privatize its state-owned commercial banks and state-owned commercial enterprises in accordance with a program designed with the World Bank.

Technical Assistance: Through long-term advisers and training, the U.S. Treasury Department, USAID, and the SEC are providing technical assistance to modernize Poland's banking and financial services sector. The U.S. continues its commitment to support Poland's privatization efforts by working with the Ministry of Privatization and in strategic sectors.

Housing: USAID is implementing a \$25-million Housing Investment Guarantee Program for Poland which, in cooperation with World Bank and EBRD activities, promotes market-based mortgage and construction financing in the housing sector. A new initiative will help accelerate the program. (See separate paper.)

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POLAND, NATO AND THE PARTNERSHIP FOR PEACE

Integration into Western economic and security structures -- above all, the EU and NATO -- is a key Polish foreign policy goal. It has enormous political and emotional significance. The Poles had hoped that Yeltsin's August 1993 declaration in Warsaw (to the effect that Russia would not object to Poland's joining NATO, quickly walked back) would open the way for rapid progress toward this goal. Prior to the NATO summit, Walesa and other officials were vocal and sometimes strident in calling for NATO membership to ensure Poland was not left in a "security vacuum" or the victim of a "new Yalta."

The Poles have since come around to the view that, since PFP is what NATO has on offer, they should take an active role in it. Poland was the third state to join PFP, the first to submit its Presentation Document and the first to draft with NATO an Individual Partnership Program (currently being reviewed in Warsaw prior to NAC approval). Poland has offered to host the first PFP field exercise in a Partner country later this year, but is not satisfied with the scope of the exercise being offered by NATO military officials. There is also U.S. interest in whether Poland might (as it suggested in the past) permanently dedicate a former Soviet exercise area as a peacekeeping training/exercise facility.

The Poles miss no opportunity, however, to reiterate their interest in early NATO membership and their desire for either a direct commitment or an indirect "signal" (e.g., announcement of NATO membership criteria) that their accession will not be long delayed. Walesa's letter to President Clinton of June 10 said that "we expect, Mr. President, that during your visit to Poland you will state that Poland will soon find itself among the members of the Alliance."

The Poles are particularly sensitive to any suggestion of a Russian droit de regard over their relationship with NATO and threatened to withdraw from PFP if Moscow were granted a "special status" within the Partnership. The June 9 NAC Ministerial in Istanbul made clear that NATO will not enter into a formal "special relationship" with Russia and that Russia will enter PFP on the same basis as other partners.

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EUROPEAN UNION-POLISH RELATIONS

European Union membership is near the top of Polish foreign policy objectives. EU-Polish relations have remained good, despite changes in Polish governments.

Poland's EU Association Agreement (AA) addresses a broad range of trade and political relations and envisions but does not guarantee eventual EU membership. In April, Poland formally applied for EU membership; the GOP understands that the EU will not begin serious consideration of its application before 1997. The biggest obstacles to Polish membership are the relative weakness of its economic development and its large agricultural sector. If Poland were admitted, it would be entitled to huge subsidies under the EU's Common Agricultural Policy and economic development funds. Nevertheless, the Germans have been strong advocates of Polish membership.

EU-Polish contacts at high levels are frequent. The EU has been Poland's greatest source of economic assistance; from 1990 through June 1993, the EU and member states had committed over \$8.5 billion to Poland, including debt forgiveness (U.S. figure for the period was \$3.9 billion).

Trade and Market Access: Poland has complained about access to EU markets, usually following the imposition of an EU trade restriction on Polish exports, notably on steel and agricultural products. These should become more rare as the AA is fully implemented, though the Poles will be watching EU application of its safeguard provisions. Under the AA, most Polish industrial goods will enter the EU duty- and quota-free beginning on January 1, 1995; restrictions on steel and textiles will be lifted later. The EU and Poland will have free trade in all non-agricultural sectors by January 1, 1997. Thanks in part to the AA, Polish exports to the EU rose over 40% from 1990 to 1993, despite the European recession; however, imports from the EU more than doubled, thanks to increased consumer demand in Poland and the appreciation of the zloty in real terms. As a result, Poland's billion dollar-plus trade surplus with the EU in 1990 became a \$2.5 billion deficit in 1993.

European Stability Pact ("Balladur Pact"): The GOP remains unhappy with the European Stability Pact; it does not consider itself to be an "object" of the Pact as it argues, with some justice, that Poland has no border or minority problems. The Poles did not participate in bilateral meetings with the EU on the Pact and maintain that at a minimum the Pact's focus needs to be diverted to "good neighborly" relations including, in particular, economic cooperation, in order to make it possible for them to participate. It would also like its agreement with Germany to be included in the Pact. Germany is not enthused.

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U.S.-POLISH TRADE ISSUES

The United States accounts for a small but growing share of Poland's trade. Poland liberalized its pre-1989 trade regime extensively as part of its market-oriented reforms. Poland has MFN status and was extended GSP privileges in 1989.

Levels: Bilateral trade with the U.S. amounted to 4 percent of Poland's total trade. U.S. exports to Poland were \$916 million during 1993, double their 1991 levels. Polish exports to the United States increased from \$351 million in 1991 to \$454 million in 1993. Poland's 1993 trade deficit with the United States of \$462 million accounted for 20 percent of its global trade deficit. Leading U.S. exports and imports are agricultural products.

Barriers to U.S. Exports: Poland's 1992 Association Agreement with the European Union (EU), which establishes an eventual free market in manufactured goods, includes tariff preferences for the EU which have placed some U.S. exporters at a significant long-term disadvantage. The U.S. requested and received temporary tariff reductions for semiconductors, computers and certain agricultural products in 1993. We want Poland to sustain these concessions and lower additional tariffs as part of its reaccession to the GATT. Poland's new copyright law addresses our key intellectual property concerns and resulted in Poland's removal from the Special 301 Watch List. Industry groups remain concerned about protection of U.S. sound recordings.

GATT Re-Accession: In 1990, Poland requested renegotiation of its GATT Protocol to reflect that it now has a market economy. This includes renegotiating its tariff schedule. Negotiations began in 1991 and are nearing completion. To conclude, we must resolve the issues of high tariffs on aircraft parts, quotas on U.S. poultry exports and continued tariff reductions on computers and semiconductors. Poland wants to conclude these negotiations in time to join the new World Trade Organization as a founding member (by January 1995).

Business and Economic Treaty: The U.S. and Poland signed the treaty in 1990. The U.S. ratified it in 1990; Poland did so in 1994. It provides investors guarantees of national treatment, protection from expropriation and assurances regarding the repatriation of funds. Poland, however, must still satisfy two conditions -- appointment of an "ombudsman" for U.S. investors and adherence to the Paris Act for the Bern Convention on the Protection of Literary and Artistic Works -- before the treaty can enter into force.

Airworthiness Certification of Polish Aircraft: In April, Poland requested expedited FAA airworthiness certification for a Polish produced commuter aircraft, which would be fitted with U.S. engines, for sale to Venezuela and perhaps other countries. The FAA certification is the standard many countries look for when

buying aircraft. The FAA, however, has a limited staff of technicians and the certification process is lengthy. In addition, there is a long queue of countries awaiting FAA inspection and certification for their aviation products. Nevertheless, FAA has told NSC staff that it would put the Polish case to the head of the waiting list. We have not yet informed the Poles.

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U.S.-POLISH BILATERAL ISSUES

General: Bilateral relations are very good. Nevertheless, both sides, after decades of mutual admiration and little actual interaction, are learning to deal with the inevitable negatives in relations, including trade issues, Polish security concerns and arms sales.

Security Issues: Integration into Western economic and security structures -- above all, the EU and NATO -- is a key Polish foreign policy goal, and Warsaw presses for NATO membership at every opportunity. Developments in Moscow have increased the Poles' sense of urgency for NATO membership.

Initially, the Poles were disappointed with the Partnership for Peace (PFP), hoping instead for a commitment to early Polish membership in NATO. The Poles have since taken a vigorous, even model, approach to PFP. Poland was the first country to submit the completed Presentation Document identifying the resources it plans to contribute to PFP activities, and has also agreed to host a PFP field exercise (involving U.S. forces) in Fall 1994.

Iraq Protecting Power: Poland serves as the protecting power for the U.S. in Iraq and has done a superlative job in defending U.S. interests and citizens there. Particularly notable were Polish Ambassador Piekarski's efforts to get detained American businessman Kenneth Beaty released and to ensure his well-being during his prolonged detention by Iraqi authorities. Beaty was freed in November. In February, President Clinton wrote to President Walesa in praise of Piekarski's work. Piekarski received a U.S. Superior Honor Award from the State Department for his efforts.

Tank Sale to Iran: In 1991, the Polish government agreed to sell 115 T-72 tanks to Iran. The Poles told us repeatedly it was a one-time-only transaction, not the beginning of an arms relationship. Earlier this year the deal appeared to fall through for financial reasons and the Poles told us informally it was off. We repeatedly made senior-level warnings to the GOP (including one from Vice President Gore) that the transaction "would not be cost free" to U.S.-Polish relations. Internally, we decided to grandfather the Polish tank sale in exchange for a commitment that Poland will avoid all objectionable trade in the future and will fully abide by the terms of the COCOM successor regime. With the apparent collapse of the tank deal, no action was taken. On instruction, Embassy Warsaw has asked the GOP whether the transaction is definitively off. We know from special intelligence that some tanks have been shipped.

Kuklinski Case: In 1971 Col. Ryszard Kuklinski, a member of the Polish general staff, volunteered to provide intelligence to the U.S. He did so -- motivated by ideology -- until 1981 and was

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exfiltrated shortly before martial law. His contributions were extremely valuable. Poland's communist authorities tried him in absentia and convicted him of treason for his activities. None of Poland's post-1989 governments has been eager to reverse the treason verdict, a move that much of the Polish officer corps (not just ostensible pro-communists) would regard as an insult. However, given the circumstances of Kuklinski's action during a period of Poland's subjugation to Soviet hegemony, we have urged the Poles to set aside the sentence.

RADIO FREE EUROPE/RADIO LIBERTY

Consolidation: Radio Free Europe (RFE) and Radio Liberty (RL) are being consolidated and reduced in size. Many technical activities of RFE/RL will be taken over by USIA's Voice of America (VOA), and over one thousand of RFE/RL's employees in Munich will be laid off. The 1994 appropriations bill mandated that RFE/RL's present annual budget of \$220 million be reduced to \$75 million. The current Board of International Broadcasting (BIB) is to be replaced by an independent Broadcasting Board of Governors (BBG), which will operate under the USIA umbrella.

In order to reach the \$75 million budget level the present BIB terminated RFE's Hungarian service and has decided to privatize the Polish and Czech services at the end of 1995. Some Poles have been unhappy with the decision to terminate the Polish service and move a transformed service to Warsaw. A well-attended "wake" for RFE's Polish service was held in June in Poznan. We hope the privatization process will help strengthen independent broadcasting in Poland but the issue is sensitive in Poland.

Prague Move: The Czech Government has offered the Federal Parliament Building as a rent-free site for the radios if they were to move to Prague from Munich (although maintenance costs would be approximately \$2 million annually). The USG is considering the Czech offer, but budgetary and Congressional issues have complicated our reaching a decision on the move. It is not popular in Poland and you should not raise it.

Research Institute: On May 31, the Board of International Broadcasting (BIB) and financier George Soros' Open Society Institute announced that the Research Institute and the accompanying archives would be transferred from Radio Free Europe (RFE) and Radio Liberty (RL) control to a new institute funded by Soros. The new facility will probably be located in Prague.

The GOP and some Polish-Americans expressed concern the Polish portion of the archives would not be available to the Poles unless it was located in Warsaw. BIB and Soros have since announced that they will microfilm the entire archive and will provide a complete copy to the Polish Government as well as to other governments in the region. Polish scholars will also eventually have direct computer access to the archives.

The Poles have also asked RFE/RL turn over to the GOP the complete broadcast transcripts of RFE's Polish broadcasts over the past forty years. BIB hopes to eventually be able to turn the tapes over to the Poles, but must first make copies for the archives of the Library of Congress. The Poles are sensitive about this material, which represents a source for their "lost history" during the Cold War.

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PRAGUE INITIATIVES CHECKLIST

Sustained High Level of Engagement: Since your Prague trip there has been sustained high level engagement with Central and Eastern European (CEE) countries. Cabinet members and senior level travellers include: UN Amb. Albright and Gen. Shalikashvili (throughout the region), Commerce Sec. Brown (Warsaw), Atty. Gen. Reno (planned - Budapest), Deputy Sec. Talbott (Warsaw and Bratislava), Under Sec. Tarnoff (Warsaw, Budapest and Prague), Under Sec. Davis (Budapest, Bratislava, Sofia and Skopje) and NSC Senior Director Schifter (Bucharest, Sofia, Warsaw, Bratislava and Budapest).

Democracy Network: USAID expects to start awarding grants for the "Democracy Network" this summer. We will provide about \$30 million in grants to U.S. NGOs over the next 3-5 years. In turn, the selected U.S. NGOs will cooperate with and support CEE counterparts involved in public policy.

Improved Market Access: We have agreed with the EU to avoid megaphone diplomacy on this sensitive matter. We can do little more to expand CEE access to our markets; the EU cites "domestic political realities" as preventing its further concessions. The U.S. is interested in working with CEE states to address their own sizeable barriers to exports and could work with the EU.

U.S. Trade Remedy Laws: NEC Deputies agreed to explore Congressional receptivity to a proposal to establish an inquiry-based trade remedy for CEE/NIS "economies in transition." The new remedy would apply in lieu of current market surge and anti-dumping provisions applied to non-market economies.

U.S.-sponsored Conference on CEE Investment and Trade: This proposal has sparked great interest in the CEE. It will probably take place in Cleveland in September or October. We are arranging for U.S. private sector cooperation in hosting the conference. The conference will focus not only on both trade and investment opportunities in the region, but also on what measures these countries should take to make their business climate more attractive. Key CEE ministers -- but not heads of government -- will be invited to attend and learn.

Early OECD Membership for Visegrad Countries: With strong U.S. leadership the OECD Ministerial Communique stated our intention to begin negotiation with the V-4 on membership as soon as possible. Eventual OECD membership will depend largely on how quickly Poland, Hungary, the Czech Republic and Slovakia can bring their laws, regulations and practices into conformity with OECD guidelines on trade, investment and the environment.

Regional Infrastructure Improvements: At a February 1994 meeting in Vienna, the USG and CSCE partners developed a regional road

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infrastructure plan for short-term projects in the southern CEE countries. The EU has been slow to provide its share of the funding necessary to implement these projects. TDA is working on a series of special infrastructure programs; it has been funded to the level of \$3 million for regional programs. State and Customs continue to lead an effort to develop a transport corridor around Serbia for perishable agricultural commodities from the southern Balkans. We are trying to identify possible sources of funding for the "Highways for Peace" proposal.

Regional Civil/Military Airspace Management: DoD has provided \$500,000 toward the cost of a preliminary study of a regional integrated civil air traffic control system/military air sovereignty regime. The Visegrad states other than the Czech Republic have endorsed this initiative. The target date for completion of the preliminary study is the end of FY94.

Social Sector Restructuring Assistance: Using primarily existing assistance resources, and coordinating with other international donors, we have launched an initiative to help Poland in this area. Our focus is the financing and provision of retirement and disability pensions, poverty relief, health care, housing and job generation. We will draw on our experience in Poland to assist other CEE countries.

Post-privatization Assistance: Treasury has developed a proposal involving at least \$50 million from the EBRD, \$15 million from the Polish-American Enterprise Fund and up to \$10 million of USG technical assistance) to support companies newly privatized under the Polish Mass Privatization Program.

Bilateral Working Groups on Security: So far this year alone, we have held BWGs -- consultations on regional security, defense relations and bilateral assistance -- with ten CEE non-combatants (all except Hungary, with whom we will meet in the fall and the Former Yugoslav Republic of Macedonia).

Peacekeeping Units: With our support, the Baltic states have launched a joint peacekeeping battalion initiative. We have requested \$10 million for FY95 to support CEE peacekeeping, including the Baltic Battalion.

Removing Cold War-era Restrictions: We have finished removing all CEE states (except those subject to the Yugoslav arms embargo) from the International Traffic in Arms proscribed destination list. In addition, we and our allies removed Hungary, the Czech Republic, Slovakia and Poland -- but not Romania or Bulgaria -- from the COCOM proscribed destination list before the termination of COCOM on March 31. Finally, this year you signed Presidential Determinations (PDs) for all CEE states not already covered by PDs and not subject to the Yugoslav arms embargo. These PDs make these states eligible to participate in the Foreign Military Sales (FMS) program.

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