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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. report	Country Risk Assessment Report: Lithuania (12 pages)	07/21/2000	P1/b(1) K8M 11/20/2023
002. letter	President William J. Clinton to President Valdas Adamkus of Lithuania re: Moscow (1 page)	06/26/2000	P1/b(1) K8M 11/20/2023

COLLECTION:

Clinton Presidential Records
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Lithuania [3]

2011-1038-F
kh1046

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]

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- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Norland, Richard B. (EUR)

From: Goldberg, David B. (RECORDS/INTECON)
Sent: Tuesday, September 05, 2000 4:56 PM
To: @EUROPE - European Affairs
Cc: @INTECON - Economic Affairs; @LEGAL - Legal Advisor; @LEGISLAT - Legislative Affairs;
@WWD - West Wing Desk; @EXECSEC - Executive Secretary; @UP - APNSA Special
Assistants; @PRESS - Public Affairs
Subject: Pkg #5160 -- BILATERAL INVESTMENT TREATY W/ LITHUANIA [UNCLASSIFIED]

Per the White House Executive Clerk's Office, Pkg #5160 Treaty Between the United States and Lithuania for the Encouragement and Reciprocal Protection of Investment was approved by the President and transmitted to Congress today, September 5.

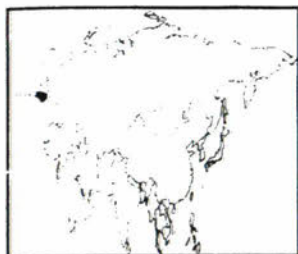
DECLASSIFIED
PER E.O. 13526
2016-0384-M (1.45)
K8H 6/23/2023

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COUNTRY RISK ASSESSMENT REPORT
JULY 21, 2000



COUNTRY: LITHUANIA

SOVEREIGN RISK RATING:

Current: D; Proposed: No Change

NONSOVEREIGN RISK RATING:

Current: D-; Proposed: D

Attn: Dick Norland
368

Dme
py 8/22

EXPECTED PAYMENTS PERFORMANCE

Lithuania has made reasonably good progress in economic reforms -- including price and trade liberalization, privatization, and banking and legal reforms -- although it has not pursued them quite as aggressively as its Baltic neighbors. Since April 1994, monetary and exchange rate policy has been controlled by a currency board arrangement (CBA) which pegs the litas to the dollar. Trade has been redirected toward western markets, although Russia was still its largest trading partner until the August 1998 crisis. The Government of Lithuania's (GOLH) reform efforts resulted in high rates of economic growth and falling inflation. However, given that Lithuania has a small, open economy with a fixed exchange rate, it is very susceptible to external shocks. The impact of the Russian crisis was substantial due to Lithuania's relatively (compared to the other Baltic states) strong trade ties to the country. As a result, there was a deep recession last year, which attempts at fiscal stimulus could not overcome. The economy is projected to rebound modestly this year.

Lithuania's chief economic difficulties are its twin deficits -- fiscal and current account, which are inextricably intertwined. The GOLH concluded a 15-month, \$83 million stand-by arrangement (SBA) with the IMF in March (but retroactive to January) which commits it to an aggressive fiscal consolidation. The government claims it views the program as precautionary, i.e., there will be no purchases unless the situation unexpectedly deteriorates, but which it wanted to signal its commitment to fiscal adjustment. If the fiscal situation can improve appreciably, and there is reason to believe it will, the medium-term prospects will remain good. If little or no improvement results, the situation will ultimately become unsustainable and a severe adjustment could be required.

No change from the current sovereign rating of D is proposed. The rating is heavily influenced by the "balance of payments adjustment capacity" indicator, which in turn is in large part determined by the current account deficit factors. This stems from the fact that the current account imbalance will be the crucial issue in determining Lithuania's external sustainability over the medium-term. The "government deficit" factor also weighs heavily in the "macroeconomic environment" indicator, given that the current account deficit is driven to a significant degree by the fiscal shortfall.

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An upgrade to the nonsovereign rating to D from D- is proposed. This proposal is based on improvements to the "legal system" (two steps) and the "business climate" indicators (one step).

RATING AGENCY ASSESSMENT – D Rating

Lithuania has long-term foreign currency ratings from all the major private credit rating agencies as well as an OECD rating. Fitch IBCA and Moody's both rate Lithuania the equivalent of an ICRAS D; S&P's rating equates to C-; and the OECD rating equates to D-.

PAYMENTS/ARREARS HISTORY – B Rating

Lithuania has had a good repayment record since gaining independence from the Soviet Union in 1991. It has had no Paris or London Club rescheduling and arrears have been modest. However, this year it requested that the Department of Agriculture forgive approximately \$76 million in debt from the PL-480 program, which was not granted.

FOREIGN DEBT SERVICE BURDEN – C- Rating

Lithuania's foreign debt remains moderate, although it has grown substantially in recent years. Last year alone external debt increased to 91% of foreign exchange income from 69% in 1998. The significant increase is largely related to the fiscal deficit, which has primarily been financed by foreign borrowing. The government is also pursuing a policy of replacing domestic debt with foreign currency due to lower interest rates prevailing on the latter. The proportion of short-term debt is high – averaging 21% of total debt over the forecast period -- and, while a concern, the danger is somewhat mitigated by several factors. The short-term debt is largely privately held, approximately 70% of it consists of trade credits from suppliers with reduced rollover risks, and foreign reserves exceed short-term debt by approximately 25%.

BALANCE OF PAYMENTS ADJUSTMENTS CAPACITY – D- Rating

Lithuania's current account deficit is one of the country's salient economic problems and a substantial source of vulnerability, i.e., if foreign direct investment were to slow appreciably or access to capital markets faltered, the balance of payments could become unsustainable. Thus, the two current account indicator are overweighted in this factor. According to official data, the current account deficit fell from 12.1% in 1998 to 10.3% last year. However, in actuality it probably increased. Balance of payments data in 1999 incorporated improved coverage of current account receipts (particularly shuttle exports) and thus the IIF estimates that the 1998 current account imbalance was approximately 8%.

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The current account shortfall is entirely the result of a merchandise trade imbalance. The combined remaining items of the current account show a slight surplus. The Russian crisis has been cited as a reason for the external shortfall, and it undoubtedly has played a role in the large (21%) decline in exports last year. However, Russia and other CIS countries are becoming less important in Lithuania's trade relative to EU markets.¹ Primarily, the deficit stems from Lithuania's heavy dependence on imports for energy and industrial restructuring, a large fiscal deficit (see below), and lagging external competitiveness. The latter stems from the dollar peg incorporated in the CBA, which resulted in a real, trade-weighted appreciation of the litas of 16% in 1998 and 22% in 1999 and sluggish productivity growth.² Thus it is imperative that the government consolidate its fiscal position and follow through with privatization and structural reforms to boost competitiveness. The forecast used in this analysis is optimistic in that regard and, therefore, a substantial deviation from these assumptions could render the current account deficit unsustainable.

MACROECONOMIC ENVIRONMENT – C- Rating

The chief issue concerning the macroeconomic environment is the fiscal situation. The fiscal deficit jumped from 2% of GDP in 1997 to 6% in 1998, and then rose further to 8% in 1999.³ Fiscal policy is particularly important in Lithuania in that the CBA board arrangement effectively removes monetary policy as a discretionary tool⁴ and also because the deterioration in the government's savings-investment balance contributes to the current account deficit.

¹The Russian crisis accelerated the redirection of exports from CIS to EU countries. For example, exports to Russia amounted to 13% of the total in 1997 and 7% last year. Conversely, exports to Germany (now Lithuania's leading export market) rose from 15% to 16% over the same period. Nonetheless, Russia remains the largest importer (20% of total imports) into Lithuania due to the latter's reliance on oil imports. Lithuania's redirection of trade, while significant, has lagged that of its Baltic neighbors.

²In contrast to the other Baltic countries, where large increases in industrial productivity have helped to offset real exchange rate increases, productivity improvements in Lithuania have been smaller.

³In addition to the deficit, the government has also accumulated budgetary arrears.

⁴Since the CBA requires 100% foreign currency cover of the monetary base, free movement of capital, and no central bank lending to the government, the money supply is entirely endogenous, i.e., dependent on foreign currency capital flows.

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The new IMF SBA calls for a substantial fiscal consolidation that would cut the shortfall to just under 3% this year as well as to eliminate all arrears.⁵ There are reasons to be optimistic that this target can be reached. The target incorporates realistic economic assumptions (e.g., 2% GDP growth and 3% inflation). In addition, the outsized deficits in 1998-99 were in part a result of expenditures that are not regularly recurring -- primarily restitution for savers and loans to industrial enterprises⁶ -- and the dampening effect on revenues of the 1999 recession. The desire to maintain the IMF's imprimatur should also be incentive to improve the fiscal outlook. Conversely, parliamentary elections are scheduled for this October, which could induce fiscal laxity in measures requiring difficult political decisions. Pressure for greater expenditures will emanate from EU and NATO accession-related costs and Lithuania's unfavorable demographics. Also, some of the deficit is attributable to structural deficiencies (e.g., poor revenue collection and spending controls) which may not be resolved quickly. In any event, should the GOLH miss its fiscal deficit target, but still come reasonably close (e.g., 4%), the situation should be sustainable.

As noted above, Lithuania suffered a recession (-3.3%) in 1999, but is expected to rebound this year with 2% growth. The downturn was partly the result of lower exports to the CIS. However, the economy was also impacted by supply interruptions at the Mazeikiu Nafta oil refinery.⁷ This year, with Russian oil supplies flowing again, oil refinery production is providing a boost to GDP growth. Nonetheless, compared to the other Baltic countries, Lithuania's emergence from recession has been slow due to its greater structural difficulties.

⁵The IMF also recommends the establishment of a fiscal reserve fund (to be funded by privatization proceeds) which would provide a financial cushion in difficult times and would also separate the inflow of privatization proceeds from government expenditures.

⁶Restitution payments are intended to compensate depositors at state banks for the hyperinflation of 1991-92. Such payments amounted to 2.2% of GDP in 1999 (approximately \$230 million) and there are \$500 million in restitution claims outstanding. However, the GOLH has announced it will defer the remaining claims for two years. Loans to industrial enterprises accounted for 2.4% of GDP. However, approximately 75% of these loans were to one enterprise -- Mazeikiu Nafta -- in large part in order to sell a 33% stake to a strategic foreign investor. The sale committed the government to provide \$324 in medium-term loans. However, all but \$21 million was disbursed by end-1999, thus future loans should be minimal. Moreover, the government has announced that it will reduce its net lending to industrial enterprises across the board.

⁷Mazeikiu Nafta accounts for an estimated 10% of GDP. Lukoil, feeling it was shut out of the privatization, responded by temporarily cutting off crude oil supplies to the company.

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LITHUANIA

POLITICAL/SOCIAL CONSTRAINTS – C- Rating

The election of unstable multiparty coalitions will remain a problem for Lithuania beyond the 2000 elections. The numerous political parties, which are often dominated by personalities, render it exceedingly difficult for any single party to win control of the legislature. Moreover, voters are rejecting the more established parties and turning to younger, less-known ones. This is resulting in more political parties in an already overcrowded political landscape, ensuring that no party will receive a majority, and forcing larger, more complex coalitions. Privatization has proven politically controversial and resulted in several resignations.⁸ Nonetheless, while policymaking has clearly been somewhat hampered by the political instability, there is a consensus for orthodox macroeconomic policies and structural reforms.

The dominant issue of Lithuania's foreign relations is its desire to join the EU and NATO. Lithuania was invited to begin EU accession negotiations in December 1999, although membership is not expected within the medium term. Lithuania also hopes to be invited to join in the next wave of NATO expansion. Despite its expressed desire for NATO membership, Lithuania's relations with Russia are relatively good. The GOLH granted full citizenship to ethnic Russians within Lithuania, and it allows the Russian military personnel and equipment access across Lithuania to Kaliningrad.

Relations with the United States are good and expected to remain so.

VULNERABILITY TO FOREIGN EXCHANGE CRISIS – D Rating

The value of the Lithuanian litas has been fixed to the U.S. dollar since April 1994.⁹ The peg is achieved by virtue of a CBA, which guarantees conversion at the prevailing rate. As long as the government adheres to the CBA, Lithuania's vulnerability to a foreign exchange crisis is substantially minimized. Although there are various forms of CBAs, all require backing of the domestic monetary base by foreign reserves.¹⁰ Thus should foreign reserves fall for any reason (e.g., current account deficits, foreign capital outflows), the CBA requires that the domestic monetary base contract proportionately. This raises domestic interest rates and results in

⁸The major criticism is that some large-scale privatizations have lacked transparency and resulted in poor outcomes for the government.

⁹At a rate of 4 litas per dollar.

¹⁰Currently, there is more than 100% hard currency cover at 4 litas per dollar.

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economic contraction, which should reverse the trend of declining foreign reserves.¹¹ Thus, what might be a traditional foreign exchange crisis for other countries becomes a (sometimes severe) contraction of domestic demand for CBA countries. Under such scenarios, the primary issue for CBA countries is whether the government is willing to sacrifice domestic economic growth for exchange rate stability. If not, the CBA must be disbanded.

However, in a recent paper, the IMF defined currency crisis in economies with pegged exchange rate regimes in the following manner: "A currency crisis in a fixed exchange rate system may be said to occur when a speculative attack leads to a "major" loss of foreign exchange reserves or "very high" interest rates, or the abandonment of the exchange rate peg. This definition would apply equally to countries with currency boards and countries with conventional pegs."¹² Thus, one could conceivably consider a lower level of foreign exchange reserves or exorbitant interest rates equivalent to a large currency depreciation. However, as noted above, the equilibrating mechanism of monetary policy under a CBA would, in most instances, render such dislocations relatively short-lived so that losses of foreign reserves or increases in interest rates would not become "excessive." However, the GOLH has announced it will change the peg from the dollar to the euro in mid-2001. It is unclear if they will continue to maintain the CBA at that time. Also unclear is whether they will use that opportunity to devalue the litas, regardless of whether they maintain the CBA. If the current account deficit is not reduced, it is quite possible that either one or both options will be exercised. Thus, the current CBA does not definitively mitigate the chances of a currency crisis over the medium term.

The short-term debt factor has been slightly underweighted in this indicator for the same reasons outlined in the "foreign debt service burden" section.

BANKING SYSTEM – D Rating

Last year's merger of two large banks (Vilnius Bank and Hermis Bank) has reduced the number of banks in Lithuania to nine. The sector is relatively concentrated with the three largest banks accounting for 75% of banking assets and the largest (Vilniaus Bankas) for 41%. Foreign participation has increased recently with growing openness of the sector. Privatization has not yet been completed. However, the two remaining state-controlled banks -- the Agricultural Bank and the Savings Bank, which account for 50% of banking assets -- are supposed to be privatized as part of the current IMF program. The banking sector is somewhat less developed

¹¹ By cutting the current account deficit as well as enticing the return of foreign capital by relatively high interest rates.

¹²See IMF, "The Baltics — Exchange Rate Regimes and External Sustainability," 11/29/99, p. 5.

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LITHUANIA

than in the other Baltic countries, as evidenced by a lower volume of lending and shorter average maturities.

Lithuanian banks were not as impacted as those in Latvia from the Russian crisis. The direct impact was small due to the limited exposure to Russia (about 2% of assets). However, indirectly it affected the banks via the strong trade ties between the two countries. According to the IMF, the average capital adequacy ratio is healthy and has remained at more than twice the required level. Nonperforming loans fell from 12.5% at the beginning of 1999 to 9.7% at the end of the year. There is the danger of increasing foreign currency exposure, which could impact the banks when the current CBA is altered. The proportion of foreign currency deposits is high and growing.¹³ The economy exhibits a low level of monetization reflecting the relatively weak credibility and depth of the banking system.

The government instituted a deposit insurance program in January 1999. It covers deposits up to 45,000 litas (\$11,250) but will be increased beginning January 2001 to 65,000 litas (\$16,250).

LEGAL SYSTEM – D Rating

Lithuania was invited to begin EU accession negotiations in December 1999. Therefore, Lithuania will be required to harmonize many of its laws with EU practices, which should facilitate continued improvements in the legal environment. According to the U.S. Embassy, the new foreign investment law of August 1995: "provides that equal protection is afforded to both foreign investors and domestic investors. No special permit is required from governmental authorities to invest foreign capital in Lithuania and there are no prohibitions or limitations provided the investor carries on business in accordance with Lithuanian law....State institutions have no right to interfere with the legal possession of the foreign investor's property....Foreign investors are entitled to enforce their rights by applying to the court of Lithuania or directly to the International Center for Settlement of Investment Disputes under the Washington Convention of 1965." Despite the promulgation of enhanced commercial laws, there are complaints about their effectiveness, such as in the case of intellectual property rights.

FOREIGN EXCHANGE AVAILABILITY – C Rating

There are currently no administrative obstacles to acquiring foreign currency in Lithuania and the CBA should prevent a shortage of foreign currency. Thus, until the CBA is abandoned, which is possible within a year, foreign exchange availability should not be an issue.

¹³It was 49% in 1999, up from 41% a year earlier.

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LITHUANIA

BUSINESS CLIMATE – C- Rating

Lithuania's business climate is reasonably good. It aspires to WTO membership within the next year and has an open trade regime.¹⁴ Moreover, the government has a strong incentive -- EU membership -- to move further ahead with regulatory and legal reforms. This will require reducing or eliminating various subsidies conferred to specific industries. There are complaints among the American business community that commercial activity is hampered by over-regulation, excessive bureaucracy, and corruption.

According to EBRD, in mid-1999 70% of GDP was created by the private sector. There are various large-scale privatizations remaining and, as noted above, several privatizations have been controversial, thereby impeding a political consensus for further ones. Nonetheless, a number of large-scale privatizations should be completed by 2001 in order to satisfy IMF program conditionality as well as to fund the fiscal reserve fund.

Although the stock exchange is highly capitalized relative to other FSU countries, liquidity is limited to a minority of shares.¹⁵ Considering turnover rather than market capitalization would change the stock market factor from C to D- or E. In addition, the bourse is highly concentrated with 70% of the market capitalization accounted for by only 10 enterprises.

¹⁴Several trade restrictions were instituted in the wake of the Russian crisis, but the current IMF program incorporates structural benchmarks that require elimination of a number of them and EU membership will also involve dismantling various trade barriers.

¹⁵See IIF, Lithuania Economic Report, 3/10/00, p. 4 and Bank of Finland Institute for Economies in Transition, May 2000, "Baltic Securities Markets", p. 6.

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A B C C- D D- E E- F F- F=

EXPECTED PAYMENTS PERFORMANCE

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RATING AGENCY AND OECD ASSESSMENT

FITCH IBCA RATING

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MOODY'S RATING

. . . . ■

OECD RATING

. ■

STANDARD AND POOR'S RATING

. . . . ■

PAYMENT/ARREARS HISTORY

1. WITH THE UNITED STATES

. ■

2. WITH OFFICIAL CREDITORS

Not Available

3. WITH COMMERCIAL BANKS

. ■

4. OFFICIAL TRANSFERS DEPENDENCY

. ■

5. OFFICIAL CREDIT DEPENDENCY

. . . ■

FOREIGN DEBT SERVICE BURDEN

6. DEBT-TO-GDP RATIO

. . . ■

7. DEBT SERVICE RATIO

. . . ■

8. DEBT-TO-FX RATIO

■

9. INTEREST-TO-FX RATIO

■

10. SHORT-TERM DEBT

. ■

11. MULTILATERAL DEBT

. . . . ■

BOP ADJUSTMENT CAPACITY

12. EXPORT ORIENTATION

. ■

13. FOREIGN EXCHANGE POLICIES

■

14. COMMODITY EXPORT DEPENDENCY

. ■

15. CURRENT ACCOUNT WITHOUT AID

. ■

16. CURRENT ACCOUNT WITH AID

. ■

17. EQUITY INFLOWS

■

18. PRIVATE CREDIT INFLOWS

. ■

19. FOREIGN EXCHANGE RESERVES

. . . . ■

MACROECONOMIC ENVIRONMENT

20. PER CAPITA INCOME LEVEL

. . . ■

21. REAL GDP GROWTH

. ■

22. PRIVATE INVESTMENT

. ■

23. SIZE OF GOVERNMENT

. . . ■

24. REVENUE TRANSFERS DEPENDENCY

. . . ■

25. FISCAL POLICIES

. . . ■

26. ADJUSTMENT PROGRAMS

. . . ■

27. RATE OF INFLATION

■

28. GOVERNMENT DEFICIT

. . . ■

29. MILITARY SPENDING

. ■

30. DOMESTIC DEBT

. ■

31. DEBT SERVICE TO REVENUES RATIO

. . . . ■

32. ADULT LITERACY

■

POLITICAL/SOCIAL CONSTRAINTS

33. INTERNAL POLITICAL STABILITY

. . . ■

34. EXTERNAL THREATS

. . . ■

35. RELATIONS WITH UNITED STATES

. . . ■

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LITHUANIA

NONSOVEREIGN RISK RATING: D

JULY 21, 2000

	A	B	C	C- D	D- E	E- F
EXPECTED PAYMENTS PERFORMANCE	.	.	.	.	■	.
VULNERABILITY TO FOREIGN EXCHANGE CRISIS	.	.	.	.	■	.
36. DEBT-TO-FX RATIO	■	.	.	.	.	.
37. SHORT-TERM DEBT	.	.	.	.	.	■
38. CURRENT ACCOUNT WITHOUT AID	.	.	.	.	.	■
39. BANKING SYSTEM FACTOR	.	.	.	■	.	.
BANKING SYSTEM	.	.	.	.	■	.
40. NONPERFORMING LOAN RATIO	.	.	.	■	.	.
41. CREDIT RATING AGENCY ASSES.	.	.	.	■	.	.
42. FINANCIAL STRENGTH	Not Available				.	.
43. GUARANTEE NETWORK	.	.	.	■	.	.
44. REGULATORY ENV. AND BANK SUP.	.	.	■	.	.	.
45. NATIONAL ACCOUNTING STANDARDS	.	.	■	.	.	.
46. CONCENTRATION OF LOANS	.	■	.	.	.	.
LEGAL SYSTEM	.	.	.	.	■	.
47. BANKRUPTCY AND FORECLOSURE LAWS	.	.	■	.	.	.
48. TRANSPARENCY OF THE LEGAL SYSTEM	.	.	.	■	.	.
49. CONTRACT ENFOR. AND DISPUTE RESOL.	.	.	.	.	■	.
FOREIGN EXCHANGE AVAILABILITY	.	.	■	.	.	.
50. EXPORT ORIENTATION	■	.	.	.	.	.
51. FOREIGN EXCHANGE RESERVES	.	.	.	■	.	.
52. FOREIGN DEBT SERVICE BURDEN	.	.	■	.	.	.
53. FOREIGN EXCHANGE CONTROLS	.	■	.	.	.	.
BUSINESS CLIMATE	.	.	.	■	.	.
54. FOREIGN EQUITY INVESTMENT	■	.	.	.	.	.
55. RATE OF INFLATION	■	.	.	.	.	.
56. STOCK MARKET	.	.	■	.	.	.
57. ADULT LITERACY	■	.	.	.	.	.
58. PHYSICAL INFRASTRUCTURE	.	.	.	■	.	.
58A. KILOWATT HOURS PER CAPITA	.	.	.	■	.	.
58B. KMS PAVED ROAD PER MN PEOPLE	■	.	.	.	.	.

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30 July 2000

LITHUANIA: MEDIUM TERM OUTLOOK
(US\$ MNS.)

	1997	1998	1999	2000	2001	2002	2003	2004	Average 00 - 04
Merch. Exports	4192	3962	3250	3790	4220	4600	5014	5465	4618
% Top Two Exports	21%	21%	21%	21%	21%	21%	20%	20%	21%
Merch. Imports	5340	5480	4480	4850	5320	5719	6148	6609	5729
Trade Balance	-1147	-1518	-1230	-1060	-1100	-1119	-1134	-1144	-1111
Service Credits	1112	1234	1153	1350	1430	1488	1683	1860	1562
Service Debits	1176	1248	1168	1390	1520	1460	1614	1783	1553
Net Priv Trsfrs	134	132	110	100	100	100	100	100	100
Net Offl Trsfrs	100	103	55	100	100	125	125	125	115
% of FXCI	2%	2%	1%	2%	2%	2%	2%	2%	2%
% of Gov Revenue	5%	4%	2%	4%	3%	4%	4%	4%	4%
CAB, without N.O.T.	-1078	-1401	-1135	-1000	-1090	-992	-965	-967	-1003
% of GDP	-11%	-13%	-11%	-9%	-9%	-8%	-8%	-7%	-8.2%
CAB, with N.O.T.	-977	-1298	-1080	-900	-990	-867	-840	-842	-888
% of GDP	-10%	-12%	-10%	-8.1%	-8.3%	-7.0%	-6.6%	-6.3%	-7.3%
FX Current Inflows	5539	5431	4568	5340	5850	6313	6922	7550	6395
G&S Exports	5304	5196	4403	5140	5650	6088	6697	7325	6180
as % of GDP	55%	48%	42%	46%	47%	49%	52%	55%	50%
Debt Service	646	404	534	681	554	757	782	793	713
% of FXCI	12%	7%	12%	13%	9%	12%	11%	11%	11%
% of Gov Revenue	29%	16%	22%	26%	19%	25%	23%	23%	23%
Debt Amortization	506	233	324	421	264	469	485	492	426
Interest Payments	140	171	210	260	290	287	297	301	287
% of FXCI	3%	3%	5%	5%	5%	5%	4%	4%	4.5%
External Debt	3253	3740	4136	4705	5388	5697	5886	5973	5530
% of GDP	34%	35%	39%	42%	45%	46%	46%	45%	45%
% of FXCI	59%	69%	91%	88%	92%	90%	85%	79%	87%
% Short-Term	32%	28%	23%	22%	21%	20%	20%	19%	21%
% Multilateral	16%	15%	14%	14%	14%	13%	13%	12%	13%
FX Reserves/Imports	16%	21%	21%	21%	22%	22%	22%	22%	22%
Gross FX Capital Inflows, % of FX Current Inflows:									
Equity (Direct & Portfolio)	5%	16%	8%	10%	10%	11%	11%	12%	10.7%
Private Credit	15%	5%	8%	6%	7%	7%	8%	8%	7.2%
Official Credits	2%	3%	3%	4%	4%	4%	4%	4%	3.6%
Population	3.7	3.7	3.7	3.7	3.7	3.6	3.6	3.6	3.6
Noml GDP, Bn \$	9.6	10.7	10.5	11.1	11.9	12.3	12.8	13.3	12.3
P/C Income, \$	2588	2901	2846	3017	3257	3384	3534	3690	3376
Real GDP Growth, %	7.3%	5.1%	-3.3%	2.0%	3.5%	4.0%	4.0%	4.0%	3.5%
Inflation, %	9%	5%	1%	2%	3%	3%	3%	3%	2.9%
Priv Investment/GDP	24%	22%	21%	21%	22%	22%	21%	21%	21%
Gov Revenues/GDP	23%	23%	23%	24%	25%	25%	26%	26%	25%
Gov Spending/GDP	25%	29%	31%	27%	28%	28%	29%	29%	28%
Mil. Spending/GDP	2%	2%	2%	2%	2%	2%	2%	2%	1.9%
Gov Deficit/GDP	2%	6%	8%	3%	3%	3%	3%	3%	3.0%
Cred to Pub Sec, %	16%	12%	16%	16%	15%	15%	14%	14%	14.9%

LITHUANIA: NONSOVEREIGN SECTOR INDICATORS
(%)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	Average <u>00 - 04</u>
FXCI/External Debt	59%	69%	91%	88%	92%	90%	85%	79%	87%
ST Debt/External Debt	32%	28%	23%	22%	21%	20%	20%	19%	21%
CAB, without N.O.T./ GDP	-11.2%	-13.0%	-10.8%	-9.0%	-9.2%	-8.0%	-7.5%	-7.3%	-8%
Export of G&S as % of GDP	55%	48%	42%	46%	47%	49%	52%	55%	50%
FX Reserves/Imports	16%	21%	21%	21%	22%	22%	22%	22%	22%
Foreign Equity Inv/FXI	5%	16%	8%	10%	10%	11%	11%	12%	11%
Rate of Inflation	9%	5%	1%	2%	3%	3%	3%	3%	3%

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 0004664
RECEIVED: 18 JUL 00 14

TO: ADAMKUS, VALDAS

FROM: PRESIDENT

DOC DATE: 03 AUG 00
SOURCE REF:

KEYWORDS: LITHUANIA

HS

PERSONS:

SUBJECT: REPLY TO PRES OF LITHUANIA

ACTION: FOR DISPATCH

DUE DATE: 29 JUL 00 STATUS: C

STAFF OFFICER: NORLAND

LOGREF:

FILES: PA

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION
STATE

FOR CONCURRENCE

FOR INFO
BLINKEN
NORLAND
NSC CHRON

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By KBH NARA, Date 7-17-2013
2011-1038-F

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY: NSTCG

DOC 4 OF 4

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 0004664

DOC ACTION OFFICER

001 NORLAND
002 BERGER
003 PRESIDENT
004
004 STATE

CAO ASSIGNED ACTION REQUIRED

Z 00071814 APPROPRIATE ACTION
Z 00072720 FWD TO PRESIDENT FOR SIGNATURE
Z 00072915 FOR SIGNATURE
X 00080314 PRESIDENT SGD LTR
X 00080314 FOR DISPATCH

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

001 000714 STATE
003 000729
003 000729
004 000803 STATE
004 000803 ADAMKUS, VALDAS

DISPATCH FOR INFO

VICE PRESIDENT
WH CHIEF OF STAFF

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
THE WHITE HOUSE

PROOFED BY: 7 LOG # 4404
URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
BYPASSED WW DESK: _____ DOCLOG 7 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE			
HAAS			
POWELL			
BASH	<u>1</u>	<u>BD 7/27</u>	
BRADTKE			
RUDMAN	<u>2</u>	<u>MR 7/29</u>	
KERRICK			
BERGER			
SITUATION ROOM			
WEST WING DESK	<u>3</u>	<u>DA 7/29</u>	<u>✓</u> <u>PRS</u>
RECORDS MGMT.			

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

06 JUL 27 1999

COMMENTS:

Str: Lithuanian Pres Adamkus

NATIONAL SECURITY COUNCIL
THE WHITE HOUSE

PROOFED BY: _____ LOG # 4404
URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
BYPASSED WW DESK: _____ DOCLOG 7 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE			
HAAS			
POWELL			
BASH	<u>1</u>	<u>BB 8/3</u>	
BRADTKE			
RUDMAN			
KERRICK			
BERGER			
SITUATION ROOM			
WEST WING DESK	<u>2</u>	<u>7 9/3</u>	<u>✓</u>
RECORDS MGMT.	<u>3</u>	<u>7 8/3</u>	<u>✓</u>

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC: 06 AUG 3 1999

COMMENTS:

DATE August 3, 2000 ?

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 4664
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG 7 A/O _____
 8-3-00

Typo - "Excellency" misspelled

Okay for Signature by _____
 Dep Stf Secretary sure
 Date 8/3/00

STATION ROOM	_____	_____ 8/4	_____
WEST WING DESK	<u>1</u>	<u>7/8</u> 8/4	<u>D</u>
RECORDS MGMT.	<u>2</u>	<u>7/8</u> 8/4	<u>D</u>
_____	_____	_____	_____

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

000000 4001200

COMMENTS:

FIXED LETTER

EXEC SEC OFFICE HAS DISKETTE _____

THE WHITE HOUSE

WASHINGTON

August 3, 2000

Dear Valdas:

Thank you for your letter marking 60 years since the United States refused to recognize the brutal incorporation of Estonia, Latvia, and Lithuania into the USSR. Thankfully, the world has been transformed since those dark days. Even so, America's commitment on behalf of a free and undivided Europe remains unaltered. We will continue to support Lithuania's efforts to become fully integrated into the Euro-Atlantic community.

Again, thank you for your kind words.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

His Excellency
Valdas Adamkus
President of the Republic of Lithuania
Vilnius

THE WHITE HOUSE

WASHINGTON

August 3, 2000

Dear Valdas:

Thank you for your letter marking 60 years since the United States refused to recognize the brutal incorporation of Estonia, Latvia, and Lithuania into the USSR. Thankfully, the world has been transformed since those dark days. Even so, America's commitment on behalf of a free and undivided Europe remains unaltered. We will continue to support Lithuania's efforts to become fully integrated into the Euro-Atlantic community.

Again, thank you for your kind words.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton", written in a cursive style.

His Excellency
Valdas Adamkus
President of the Republic of Lithuania
Vilnius

NATIONAL SECURITY COUNCIL

ID 0004664

REFERRAL

DATE: 03 AUG 00

MEMORANDUM FOR: KENNEY, K

STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: ADAMKUS, VALDAS

SOURCE: PRESIDENT

DATE: 03 AUG 00

SUBJ: REPLY TO PRES OF LITHUANIA

REQUIRED ACTION: FOR DISPATCH

DUE DATE: 04 AUG 00

COMMENT:


FOR

JOHN W. FICKLIN

NSC RECORDS MANAGEMENT OFFICE

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 0004664
DATE 03 AUG 00

SUBJECT: REPLY TO PRES OF LITHUANIA
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:	DATE	TIME	SIGNATURE
ADAMKUS, VALDAS	_____	_____	_____

PRINT LAST NAME: _____

COPY: ORIGINAL

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By KRM NARA, Date 7-17-2013
2011-1038-F

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC RECORDS MGNT. ROOM 379 OEOB
PAGE 01 OF 01 PAGES

TIME OF RECEIPT:

RELEASER: _____

DATE/TIME:

MESSAGE #:

White House Guidelines, September 11, 2006
By KBY NARA, Date 7-17-2013
2011-1038-F

8-3-00

THE WHITE HOUSE

00 JUL 29 PM 1:37

WASHINGTON

July 29, 2000

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

SAMUEL BERGER *for*

SUBJECT:

Letter to Lithuanian President Adamkus

Purpose

Respond to letter from President Adamkus.

Background

President Adamkus wrote you on the occasion of the 60th anniversary of the Soviet occupation of the Baltic states, to thank the United States for its policy of non-recognition of the incorporation of Estonia, Latvia and Lithuania into the USSR. Your response tells the Lithuanians -- who remain skeptical of Russian intentions under Putin -- that the United States will continue to support Lithuanian efforts to become fully integrated into Euro-Atlantic institutions.

RECOMMENDATION

That you sign the letter to President Adamkus at Tab A.

Attachments

Tab A Letter to President Adamkus

Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

4664

July 27, 2000

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN *(1058)*

FROM: RICHARD NORLAND *h*

SUBJECT: Letter to Lithuanian President Adamkus

Attached for your signature at Tab I is your memorandum to the President forwarding a response to the Lithuanian President.

The NSC received the incoming correspondence on July 18, 2000.

Concurrence by: Andrew Weiss *h*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Letter to President Adamkus
Tab B Incoming Correspondence

4604



President of the Republic of Lithuania

Vilnius, July 14, 2000

Dear Mr. President,

This Saturday we will commemorate a momentous day in the history of relations among the United States and Lithuania, Latvia, and Estonia. Sixty years ago President Roosevelt made a resolve to oppose the predatory activities of the Soviet Union against the Baltic states. The Executive order to freeze the Baltic assets, issued on July 15, 1940, was a crucial decision which made it clear that the United States were to repudiate the fact of the Baltic States' occupation. On July 23, the policy of non-recognition was elaborated in the statement of the acting U.S. Secretary of State Welles. Subsequent American leaders pursued this policy giving strength and hope to hundreds of thousands of Lithuanian people under oppression and in exile.

Today Lithuania is free again, and this incontestable evidence of restored justice proves that the American policy of non-recognition was right and successful. On behalf of all the Lithuanian people who had suffered from oppression, and that of our children who now can enjoy and foster freedom, human rights and democracy, I take this opportunity to thank the leadership and the people of America for the support that had been so vital to us.

During the last decade our countries have advanced much in developing a fruitful partnership to the interest of our peoples. Lithuania and America have become more than just two friendly states, cooperating nations of the Euro-Atlantic family. The U.S.-Baltic Partnership Charter has materialized in the expanding network of bilateral relations, the growing volume of investments and the complete understanding achieved in solving important issues to the security and stability of the Baltic region. Our partnership is reinforced by America's consistent and continued support for Lithuania's Euro-Atlantic integration.

*His Excellency
William J. Clinton
President
United States of America*



President of the Republic of Lithuania

-- 2 --

I am certain, Mr. President, that in future the United States Government will further promote the cause of Lithuania's full return to the Euro-Atlantic community. The historical experience that we had passed through during the last sixty years gives a substantial hope to complete the project of Europe whole and free already in the coming few years.

Please accept the assurances of my highest consideration.

Sincerely,

A handwritten signature in black ink, reading "Valdas Adamkus".

Valdas Adamkus



*Rec'd USC/ENR 7/14/00.
please enter int system.*

LIETUVOS RESPUBLIKOS AMBASADA
VAŠINGTONAS

EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

July 14, 2000 *Nr. 1898*

Dear Mr. Blinken:

It is my great pleasure to enclose herewith a copy of the letter from H.E. Valdas Adamkus, President of the Republic of Lithuania to H.E. William J. Clinton, President of the United States. I would kindly request to forward the letter to its highest destination.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. Degutis".

Darius Degutis
Charge d'Affaires a. i.

Mr. Antony J. Blinken
Special Assistant to the President
National Security Council
Old Executive Office Building
Washington, DC 20501

DD/ah

NATIONAL SECURITY COUNCIL

ID 0004664

REFERRAL

DATE: 18 JUL 00

MEMORANDUM FOR: KENNEY, K

STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: ADAMKUS, VALDAS

DATE: 14 JUL 00

SUBJ: ANNIV OF FREEZE ON BALTIC ASSETS

REQUIRED ACTION: FOR INFORMATION

DUE DATE:

COMMENT:

FOR


JOHN W. FICKLIN

NSC RECORDS MANAGEMENT OFFICE

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 0004664
DATE 14 JUL 00

SUBJECT: ANNIV OF FREEZE ON BALTIC ASSETS
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

EXECUTIVE SECRETARIAT
FOR THE EXECUTIVE SECRETARY
ROOM 7224
2201 C STREET, NW
WASHINGTON, DC 20520
DEPARTMENT OF STATE

PRINT LAST NAME: _____

COPY: 1 _____

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By KBM NARA, Date 7-17-2013
2011-1038-F

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC RECORDS MGNT, ROOM 379 OEOB
PAGE 01 OF 01 PAGES

UNCLASSIFIED
~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 0004664
RECEIVED: 18 JUL 00 14

TO: PRESIDENT

FROM: ADAMKUS, VALDAS

DOC DATE: 14 JUL 00
SOURCE REF:

KEYWORDS: LITHUANIA

HS

PERSONS:

SUBJECT: ANNIV OF FREEZE ON BALTIC ASSETS

ACTION: APPROPRIATE ACTION

DUE DATE: 29 JUL 00 STATUS: S

STAFF OFFICER: NORLAND

LOGREF:

FILES: PA

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
NORLAND

FOR CONCURRENCE

FOR INFO
BERGER
BRADTKE
RUDMAN
STATE
STEINBERG, J
WEISS

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 1 OF 1

~~CONFIDENTIAL~~

Unclassified



LIETUVOS RESPUBLIKOS AMBASADA
VAŠINGTONAS

EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

July 25, 2000

Dear Mr. Blinken:

It is my great pleasure to enclose herewith a letter from H.E. Valdas Adamkus, President of the Republic of Lithuania to H.E. William J. Clinton, President of the United States. I would kindly request to forward the letter to its highest destination.

Thank you in advance.

Sincerely,

Stasys Sakalauskas
Ambassador

WWD :
add to
package/folder

Mr. Antony J. Blinken
Special Assistant to the President
National Security Council
Washington, DC 20530

This goes with package
4664 of 7/27/00.
(original letter)

SS/ah

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: Letter to Lithuanian President Adamkus

Purpose

Respond to letter from President Adamkus.

Background

President Adamkus wrote you on the occasion of the 60th anniversary of the Soviet occupation of the Baltic states, to thank the United States for its policy of non-recognition of the incorporation of Estonia, Latvia and Lithuania into the USSR. Your response tells the Lithuanians -- who remain skeptical of Russian intentions under Putin -- that the United States will continue to support Lithuanian efforts to become fully integrated into Euro-Atlantic institutions.

RECOMMENDATION

That you sign the letter to Adamkus at Tab A.

Attachments

Tab A Letter to President Adamkus

Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Valdas:

Thank you for your letter marking 60 years since the United States refused to recognize the brutal incorporation of Estonia, Latvia, and Lithuania into the USSR. Thankfully, the world has been transformed since those dark days. *Even so,* ~~But~~ America's commitment on behalf of a free and undivided Europe remains unaltered. We will continue to support Lithuania's efforts to become fully integrated into the Euro-Atlantic community.

Again, thank you for your kind words.

Sincerely,

His Excellency
Valdas Adamkus
President of the Republic of Lithuania
Vilnius

Norland, Richard B. (EUR)

→ Debbie
Grace

736-4170

From: WHSR
Sent: Thursday, August 03, 2000 7:02 PM
To: Blinken, Antony J. (EUR); Cables; Ficklin, John W. (RECORDS); Millison, Cathy L. (EXSEC); Norland, Richard B. (EUR); Wasserman, Elaine P. (EXSEC)
Subject: LETTER FROM PRESIDENT CLINTON TO HIS EXCELLENCY, VALDAS ADAMKUS, PRESIDENT OF REPUBLIC OF LITHUANIA

ActionAddres: AMEMBASSY VILNIUS IMMEDIATE 1564
Classification: UNCLASSIFIED
DateTime: 032254Z AUG 00
Distribution: SIT: Blinken NSC Ficklin Millison Norland Wasserman
Identifier: M4569004
InfoAddres: ////
Line1: OAAUZYUW RUEHCAA8259 2162257-UUUU--RHEHAAX.
Line2: ZNR UUUUU ZZH
Line3: O 032254Z AUG 00
Line4: FM SECSTATE WASHDC
Originator: SECSTATE WASHDC
Precedence: IMMEDIATE
Profiles: BLINKENA
CABLES
FICKLINJ
MILLISOC
NORLANDR
WASSERME
StationRoutingIndicator: RUEHC
StationSerialNumber: 8259
TimeOfReceipt: 08/03/2000 19:00:47 ET

UNCLAS STATE 148259

E.O. 12958: N/A
TAGS: OPDC, LH
SUBJECT: LETTER FROM PRESIDENT CLINTON TO HIS EXCELLENCY, VALDAS ADAMKUS, PRESIDENT OF REPUBLIC OF LITHUANIA

1. PLEASE DELIVER FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO HIS EXCELLENCY, VALDAS ADAMKUS, PRESIDENT OF LITHUANIA. THE WHITE HOUSE DOES NOT PLAN TO RELEASE TEXT OF MESSAGE BUT HAS NO OBJECTION IF GOVERNMENT OF LITHUANIA WISHES TO DO SO. THE SIGNED ORIGINAL WILL FOLLOW VIA POUCH.

2. BEGIN TEXT:

AUGUST 3, 2000

DEAR VALDAS:

THANK YOU ONCE AGAIN FOR YOUR LETTER MARKING 60 YEARS SINCE THE UNITED STATES REFUSED TO RECOGNIZE THE BRUTAL INCORPORATION OF ESTONIA, LATVIA, AND LITHUANIA INTO THE USSR. THANKFULLY, THE WORLD HAS BEEN TRANSFORMED SINCE THOSE DARK DAYS. EVEN SO, AMERICA'S COMMITMENT ON BEHALF OF A FREE AND UNDIVIDED EUROPE REMAINS UNALTERED. WE WILL CONTINUE TO SUPPORT LITHUANIA'S EFFORTS TO BECOME FULLY INTEGRATED INTO THE EURO-ATLANTIC COMMUNITY.

AGAIN, THANK YOU FOR YOUR KIND WORDS.

SINCERELY,

BILL CLINTON /S/

END TEXT.
ALBRIGHT

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

4664

July 27, 2000

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

THROUGH: ANTONY BLINKEN *WJB*

FROM: RICHARD NORLAND *ly*

SUBJECT: Letter to Lithuanian President Adamkus

Attached for your signature at Tab I is your memorandum to the President forwarding a response to the Lithuanian President.

The NSC received the incoming correspondence on July 18, 2000.

Concurrence by: Andrew Weiss *mb*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Letter to President Adamkus
Tab B Incoming Correspondence

THE WHITE HOUSE
WASHINGTON

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER

SUBJECT: Letter to Lithuanian President Adamkus

Purpose

Respond to letter from President Adamkus.

Background

President Adamkus wrote you on the occasion of the 60th anniversary of the Soviet occupation of the Baltic states, to thank the United States for its policy of non-recognition of the incorporation of Estonia, Latvia and Lithuania into the USSR. Your response tells the Lithuanians -- who remain skeptical of Russian intentions under Putin -- that the United States will continue to support Lithuanian efforts to become fully integrated into Euro-Atlantic institutions.

RECOMMENDATION

That you sign the letter to Adamkus at Tab A.

Attachments

Tab A Letter to President Adamkus

Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

THE WHITE HOUSE

WASHINGTON

Dear Valdas:

Thank you for your letter marking 60 years since the United States refused to recognize the brutal incorporation of Estonia, Latvia, and Lithuania into the USSR. Thankfully, the world has been transformed since those dark days. But America's commitment on behalf of a free and undivided Europe remains unaltered. We will continue to support Lithuania's efforts to become fully integrated into the Euro-Atlantic community.

Again, thank you for your kind words.

Sincerely,

His Excellency
Valdas Adamkus
President of the Republic of Lithuania
Vilnius



*Rec'd MRC/ECR 7/14/00.
please enter into system*

LIETUVOS RESPUBLIKOS AMBASADA
VAŠINGTONAS

EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

July 14, 2000 *Nr. 1898*

Dear Mr. Blinken:

It is my great pleasure to enclose herewith a copy of the letter from H.E. Valdas Adamkus, President of the Republic of Lithuania to H.E. William J. Clinton, President of the United States. I would kindly request to forward the letter to its highest destination.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. Degutis".

Darius Degutis
Charge d'Affaires a. i.

Mr. Antony J. Blinken
Special Assistant to the President
National Security Council
Old Executive Office Building
Washington, DC 20501

DD/ah

464

*President of the Republic of Lithuania*

Vilnius, July 14, 2000

Dear Mr. President,

This Saturday we will commemorate a momentous day in the history of relations among the United States and Lithuania, Latvia, and Estonia. Sixty years ago President Roosevelt made a resolve to oppose the predatory activities of the Soviet Union against the Baltic states. The Executive order to freeze the Baltic assets, issued on July 15, 1940, was a crucial decision which made it clear that the United States were to repudiate the fact of the Baltic States' occupation. On July 23, the policy of non-recognition was elaborated in the statement of the acting U.S. Secretary of State Welles. Subsequent American leaders pursued this policy giving strength and hope to hundreds of thousands of Lithuanian people under oppression and in exile.

Today Lithuania is free again, and this incontestable evidence of restored justice proves that the American policy of non-recognition was right and successful. On behalf of all the Lithuanian people who had suffered from oppression, and that of our children who now can enjoy and foster freedom, human rights and democracy, I take this opportunity to thank the leadership and the people of America for the support that had been so vital to us.

During the last decade our countries have advanced much in developing a fruitful partnership to the interest of our peoples. Lithuania and America have become more than just two friendly states, cooperating nations of the Euro-Atlantic family. The U.S.-Baltic Partnership Charter has materialized in the expanding network of bilateral relations, the growing volume of investments and the complete understanding achieved in solving important issues to the security and stability of the Baltic region. Our partnership is reinforced by America's consistent and continued support for Lithuania's Euro-Atlantic integration.

*His Excellency
William J. Clinton
President
United States of America*



President of the Republic of Lithuania

-- 2 --

I am certain, Mr. President, that in future the United States Government will further promote the cause of Lithuania's full return to the Euro-Atlantic community. The historical experience that we had passed through during the last sixty years gives a substantial hope to complete the project of Europe whole and free already in the coming few years.

Please accept the assurances of my highest consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Valdas Adamkus', with a stylized flourish at the end.

Valdas Adamkus

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 0004412
RECEIVED: 06 JUL 00 10

TO: KUBILIUS, ANDRIUS

FROM: PRESIDENT

DOC DATE: 13 JUL 00
SOURCE REF:

KEYWORDS: LITHUANIA

HUMAN RIGHTS

PERSONS:

SUBJECT: LTR TO PM KUBILIUS OF LITHUANIA RE SUPPORT FOR INTL WOMEN CONF

ACTION: FOR DISPATCH

DUE DATE: 12 JUL 00 STATUS: C

STAFF OFFICER: NORLAND

LOGREF:

FILES: PA

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
STATE

FOR CONCURRENCE

FOR INFO
NORLAND
NSC CHRON

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSSWL

CLOSED BY: NSGP

DOC 3 OF 3

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By KRM NARA, Date 7-17-2013
2011-1038-F

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 0004412

DOC ACTION OFFICER

CAO ASSIGNED ACTION REQUIRED

001 BERGER
002 PRESIDENT
003
003 STATE

Z 00070614 FWD TO PRESIDENT FOR SIGNATURE
Z 00071110 FOR SIGNATURE
X 00071705 PRESIDENT SGD LTR
X 00071705 FOR DISPATCH

DISPATCH DATA SUMMARY REPORT

DOC DATE DISPATCH FOR ACTION

DISPATCH FOR INFO

002 000711
002 000711
003 000713 KUBILIUS, ANDRIUS
003 000713 STATE

VICE PRESIDENT
WH CHIEF OF STAFF

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 0004412
DATE 13 JUL 00

SUBJECT: LTR TO PM KUBILIUS OF LITHUANIA RE SUPPORT FOR INTL WOMEN CONF
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

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DATE

TIME

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EXECUTIVE SECRETARIAT
FOR THE EXECUTIVE SECRETARY
ROOM 7224
2201 C STREET, NW
DEPARTMENT OF STATE

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DECLASSIFIED
E.O. 13526
White House Guidelines, September 11, 2006
By KBN/NARA, Date 7-17-2013
2011-1038-F

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC RECORDS MGNT, ROOM 379 OEOB
PAGE 01 OF 01 PAGES

NATIONAL SECURITY COUNCIL

ID 0004412

REFERRAL

DATE: 17 JUL 00

MEMORANDUM FOR: KENNEY, K

STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: KUBILIUS, ANDRIUS

SOURCE: PRESIDENT

DATE: 13 JUL 00

SUBJ: LTR TO PM KUBILIUS OF LITHUANIA RE SUPPORT FOR INTL WOMEN CONF

REQUIRED ACTION: FOR DISPATCH

DUE DATE: 18 JUL 00

COMMENT:

FOR



JOHN W. FICKLIN

NSC RECORDS MANAGEMENT OFFICE

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: _____ LOG # 4412
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG Sm A/O CO

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
GIRE	_____	_____	_____
JACOBSON	<u>1</u>	<u>7/1/14</u>	_____
POWELL	_____	_____	_____
BASH	_____	_____	_____
BRADTKE	_____	_____	_____
RUDMAN	_____	_____	_____
STEINBERG	_____	_____	_____
BERGER	_____	_____	_____
SITUATION ROOM	_____	_____	_____
WEST WING DESK	<u>2</u>	<u>Sm 7/1/14</u>	<u>D</u>
RECORDS MGMT.	<u>3</u>	_____	<u>D</u>
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A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

COMMENTS:

Date 7/13/00 2

EXEC SEC OFFICE HAS DISKETTE _____

NATIONAL SECURITY COUNCIL

THE WHITE HOUSE

PROOFED BY: 8 LOG # 4412
 URGENT NOT PROOFED: _____ SYSTEM PRS INT ARS
 BYPASSED WW DESK: _____ DOCLOG 7 A/O _____

	SEQUENCE TO	INITIAL/DATE	DISPOSITION
WIRE			
JACOBSON	<u>1</u>	<u>D 7/6</u>	
POWELL			
BASH		<u>7/10/11</u>	
BRADTKE	<u>2</u>	<u>R 7/10/11</u>	
RUDMAN			
STEINBERG	<u>3</u>	<u>Q</u>	
BERGER	<u>4</u>		
SITUATION ROOM			
WEST WING DESK	<u>5</u>	<u>D 7/11</u>	<u>has</u>
RECORDS MGMT.			

A = ACTION I = INFORMATION D = DISPATCH R = RETAIN N = NO FURTHER ACTION

CC:

10 JUL 2011

COMMENTS:

LTR to Lithuanians PM Kubilius
 Re Vilnius Conf. on Women &
 Democracy

EXEC SEC OFFICE HAS DISKETTES

THE WHITE HOUSE

WASHINGTON

July 13, 2000

Dear Mr. Prime Minister:

Thank you for informing me of your plans regarding the international women's conference to be held in Vilnius next June. The United States was pleased to cosponsor last fall's Reykjavik Conference on Women and Democracy, and we warmly welcome your government's willingness to host this important follow-up conference.

My Administration is committed to enhancing the participation of women in the political and economic life of the Baltic Sea region. This is one of the priorities we have established under our Northern Europe Initiative, aimed at enhancing democracy, stability, and prosperity among all the countries of the region. I am pleased to see the wide variety of programs that have been implemented since the Reykjavik conference.

As you may know, a U.S. representative took part in the first meeting of the international preparatory committee on May 22. We will continue to participate in the committee and look forward to working with you to ensure the Conference's success.

Sincerely,

A handwritten signature in black ink, reading "Bill Clinton". The signature is written in a cursive, flowing style with a long horizontal line extending from the end.

His Excellency
Andrius Kubilius
Prime Minister of the
Republic of Lithuania
Vilnius

THE WHITE HOUSE

WASHINGTON

July 11, 2000

00 JUL 11 AM 10:41

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: SAMUEL BERGER 
SUBJECT: Letter to Prime Minister Kubilius of Lithuania

Purpose

Respond to a letter from Prime Minister Kubilius.

Background

Prime Minister Kubilius wrote to request U.S. support for an international women's conference to be held in Vilnius in June 2001. Your response (Tab A) confirms our support for this initiative, drawing on prior U.S. involvement in such activities, including the First Lady's attendance at "Vital Voices" events in Reykjavik and elsewhere.

RECOMMENDATION

That you sign the letter at Tab A.

Attachments

Tab A Letter to Prime Minister Kubilius
Tab B Incoming Correspondence

cc: Vice President
Chief of Staff

00006610

Translation from Lithuanian

Vilnius, 8 March 2000

Dear Mr. President,

I have the honour to inform you that on 15-17 June 2001 Vilnius will host an international women conference conceived as a follow up to the Reykjavik Conference on Women and Democracy at the Dawn of the New Millennium which took place in October 1999. Representatives of the public institutions and non-governmental organisations of the Baltic and Nordic states, Russia and USA are to be present at the conference. We also intend to invite Polish and German delegations.

The conference will comprehensively discuss key issues pertinent to the full voiced participation of women in the democratic processes. It will highlight on the joint projects which the states of the Baltic Sea region and the USA initiated at the Reykjavik conference. After reviewing the progress made, the conference intends to initiate new projects, to seek by concerted efforts advanced and effective solutions to the problems.

I believe that with a view to better prepare the conference it would be expedient to set up an international committee which would include the representatives delegated by the governments interested in participating at the conference. The committee would be in charge of co-ordinating the preparatory work for Vilnius conference and reviewing the projects already under way after the Reykjavik conference and providing recommendations on their future implementation. The first meeting of the international committee could take place in April- May of the current year in Vilnius.

I hope you will agree that issues raised at the conference are vitally important to the international community and people of your country, and may I therefore count on your active support and the participation of the representatives nominated by the USA administration to work on the preparation of Vilnius conference.

Availing myself of this opportunity I would like to extend, Mr. President, the assurance of my highest considerations.

Sincerely yours,

/s/

*Andrius Kubilius
Prime Minister*

*The President
The White House
Washington, D.C. 20500*



LIETUVOS RESPUBLIKOS MINISTRAS PIRMININKAS

Vilnius, 2000 m. kovo 8 d.

Gerbiamasis pone Prezidente,

Turiu garbės Jus informuoti, kad 2001 m. birželio 15-17 dienomis Lietuvoje rengiama tarptautinė moterų konferencija. Ši konferencija - tai 1999 m. spalio mėn. Reikjavike vykusios konferencijos "Moterys ir demokratija naujojo tūkstantmečio pradžioje" tęsinys. Renginyje dalyvaus Baltijos valstybių, Šiaurės šalių, Rusijos bei JAV vyriausybinių institucijų bei nevyriausybinių organizacijų atstovai. Taip pat ketiname pakviesti Lenkijos bei Vokietijos delegacijas.

Konferencijoje bus visapusiškai aptariami aktualūs moterų pilnateisio dalyvavimo demokratiniuose procesuose klausimai, apžvelgiami bendri Baltijos jūros regiono šalių ir JAV projektai, inicijuoti Reikjaviko konferencijoje. Apibendrinus padarytą pažangą, bus siekiama inicijuoti naujus projektus, bendrai ieškoma efektyvesnių problemų sprendimo būdų.

Manau, jog būtų tikslinga konferencijos parengimui sukurti tarptautinį komitetą, į kurį visų dalyvavimu konferencijoje suinteresuotų valstybių vyriausybės deleguotų atstovus koordinaciniam parengiamajam darbui. Šio komiteto tikslas būtų apžvelgti vykdomus projektus, inicijuotus Reikjaviko konferencijoje, bei teikti rekomendacijas dėl jų tolimesnio įgyvendinimo. Komitetas taip pat aktyviai dalyvaus, parengiant Vilniuje vyksiančios konferencijos tematiką. Tikimės, kad pirmasis tarptautinio komiteto susitikimas galėtų įvykti š.m. balandžio – gegužės mėnesiais Vilniuje.

Manydamos, kad konferencijoje nagrinėjamos problemos yra aktualios tarptautinei ir Jūsų šalies visuomenei, tikiuosi aktyvios Jūsų paramos bei JAV vyriausybės paskirtų pareigūnų dalyvavimo konferencijos paruošiamajame darbe.

Naudodamasis proga, gerbiamasis pone Prezidente, reiškiu nuoširdžiausią pagarbą.

Andrius Kubilius

*Prezidentui,
Baltieji rūmai,
Vašingtonas, D.C.20500*



LIETUVOS RESPUBLIKOS AMBASADA
VAŠINGTONAS

EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

00006610

March 30, 2000

Dear President:

It is my great pleasure to forward you a letter from Mr. Andrius Kubilius, Prime Minister of the Republic of Lithuania.

Sincerely,

Stasys Sakalauskas
Ambassador

The Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

4412

July 6, 2000

ACTION

MEMORANDUM FOR SAMUEL R. BERGER

FROM: RICHARD NORLAND, ACTING *RN*
SUBJECT: Presidential Letter to Lithuanian Prime Minister
Kubilius

Attached at Tab I is your memorandum to the President forwarding a proposed letter to Prime Minister Andrius Kubilius regarding the Vilnius Conference on Women and Democracy in June 2001.

The incoming correspondence was received on April 21 and tasked to the State Department for response.

Concurrence by: Wendy Patten *W P*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Memorandum to the President
Tab A Letter to Prime Minister Kubilius
Tab B Incoming Correspondence

Norland, Richard B. (EUR)

From: Norland, Richard B. (EUR)
Sent: Wednesday, July 05, 2000 5:51 PM
To: Jacobson, Tracey A. (ADMIN); @EUROPE - European Affairs; @RECORDS & ACCESS MGMT
Cc: @EXECSEC - Executive Secretary
Subject: RE: Crosshatch on Vilnius women's conference [UNCLASSIFIED]

for RECORDS: could you please send us another copy of a letter to POTUS from Lithuanian PM Kubilius that was dated March 8, 2000 and was subsequently tasked to State for response? Subject was Vilnius Women's Conference. many thanks.

-----Original Message-----

From: Jacobson, Tracey A. (ADMIN)
Sent: Wednesday, July 05, 2000 5:46 PM
To: Norland, Richard B. (EUR); @EUROPE - European Affairs
Cc: @EXECSEC - Executive Secretary
Subject: RE: Crosshatch on Vilnius women's conference [UNCLASSIFIED]

It's very unusual to send a cable -- we usually do it in cases where there is some urgency. Clearly not here. We do NOT do it because it is more convenient.

Please prepare this as a letter. Records can probably help you get a copy of the incoming. Exec Sec can't clear off on presidential correspondence, which this is, without seeing the incoming to which it responds.

Thanks
TJ

-----Original Message-----

From: Norland, Richard B. (EUR)
Sent: Wednesday, July 05, 2000 5:34 PM
To: Jacobson, Tracey A. (ADMIN); @EUROPE - European Affairs
Cc: @EXECSEC - Executive Secretary
Subject: RE: Crosshatch on Vilnius women's conference [UNCLASSIFIED]

I don't have the incoming anymore -- it was tasked to State for response, and they chose to make it a cable. Should ExecSec task State with turning it into a letter?

In any case, though, wouldn't it go out by cable anyway (seems like most letters do once they've been signed by POTUS)? In this case the incoming is so old (March 8, as I recall) and the subject so non-controversial, that it appears State chose to treat this more like a national day message than an issue worthy of direct POTUS attention. My own view is we should probably try to move it sooner rather than later, in its current form -- what do you think?

-----Original Message-----

From: Jacobson, Tracey A. (ADMIN)
Sent: Wednesday, July 05, 2000 5:23 PM
To: @EUROPE - European Affairs
Cc: @EXECSEC - Executive Secretary
Subject: Crosshatch on Vilnius women's conference [UNCLASSIFIED]

Dick -- I don't see why this should be a cable rather than a letter.

Please redo as Presidential Correspondence, including the incoming at a Tab, unless there is some pressing reason to do this as a cable (if there is, please let us know what it is)>

Thanks
TJ

2775

S/S 200006610



United States Department of State

Washington, D.C. 20520

April 21, 2000

Memorandum for:

**Mr. Robert A. Bradtke
Executive Secretary
National Security Council Staff
The White House**

Subject:

Alerting NSCS on Presidential Correspondence

**Enclosed is the original of a letter to President Clinton from
Lithuanian Prime Minister Andrius Kubilius.**

**which is transmitted for your information. This correspondence was received in the
Records Management Division of the Executive Secretariat on 4/27/00.**

✓ A copy has been assigned to the appropriate bureau for action.

S. McElroy for

**Chief, S/S-RMD
Records Management Division
Executive Secretariat
(202) 647-0053**

APR 21 17:18

4412

UNCLASSIFIED
NSC/RMO PROFILE

RECORD ID: 0002775
RECEIVED: 21 APR 00 17

TO: PRESIDENT

FROM: KUBILIUS, ANDRIUS

DOC DATE: 08 MAR 00
SOURCE REF: 00006610

KEYWORDS: LITHUANIA
HUMAN RIGHTS

HS
AP

PERSONS:

SUBJECT: NOTIFICATION RE INTL WOMEN CONFERENCE ON JUN 15 - 17

ACTION: NO FURTHER ACTION REQUIRED

DUE DATE: 03 MAY 00 STATUS: C

STAFF OFFICER: NORLAND

LOGREF:

FILES: PA

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTCG

CLOSED BY: NSSWL

DOC 1 OF 1

UNCLASSIFIED

UNCLASSIFIED
ACTION DATA SUMMARY REPORT

RECORD ID: 0002775

DOC ACTION OFFICER

001 NORLAND
001

CAO ASSIGNED ACTION REQUIRED

Z 00042117 PREPARE MEMO FOR BERGER
X 00051815 NO FURTHER ACTION REQUIRED

UNCLASSIFIED

UNCLASSIFIED
NSC/RMO PROFILE

RECORD ID: 0002775
RECEIVED: 21 APR 00 17

TO: PRESIDENT

FROM: KUBILIUS, ANDRIUS

DOC DATE: 08 MAR 00
SOURCE REF: 00006610

KEYWORDS: LITHUANIA
HUMAN RIGHTS

HS
AP

PERSONS:

SUBJECT: NOTIFICATION RE INTL WOMEN CONFERENCE ON JUN 15 - 17

ACTION: PREPARE MEMO FOR BERGER

DUE DATE: 03 MAY 00 STATUS: S

STAFF OFFICER: NORLAND

LOGREF:

FILES: PA

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
NORLAND

FOR CONCURRENCE
NAPLAN

FOR INFO
BAKER
BERGER
BRADTKE
HILLIARD
RUDMAN
SCHWARTZ
STEINBERG

COMMENTS: NFAR

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTCG

CLOSED BY:

DOC 1 OF 1

UNCLASSIFIED



EMBASSY OF LITHUANIA

FACSIMILE TRANSMITTAL SHEET

TO:	FROM:
Mr. Richard Norland	Kęstas Jankauskas
COMPANY:	DATE:
NSC, European Directorate	July 14, 2000
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER:
202-456-9150	3
PHONE NUMBER:	SENDER'S REFERENCE NUMBER:
202-456-9151	
RE:	YOUR REFERENCE NUMBER:
Seimas' Appeal	

☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY ☐ PLEASE RECYCLE

NOTES/COMMENTS:

Enclosed please find the Appeal of the Parliament of Lithuania to the President of the United States of America, the Congress of the United States of America and all US Citizens adopted on July 11, 2000 concerning the U.S. non-recognition policy.

2622 16TH STREET, N.W.

WASHINGTON, DC 20009

TEL: (202) 234-5800, EXT.18, FAX: (202) 328-0466, E-MAIL: KJ@LITEMBASSYUS.ORG



LIETUVOS RESPUBLIKOS SEIMAS
SEIMAS OF THE REPUBLIC OF LITHUANIA

APPEAL

**TO THE PRESIDENT OF THE UNITED STATES OF AMERICA,
THE CONGRESS OF THE UNITED STATES OF AMERICA
AND ALL US CITIZENS**

11 July 2000

Vilnius

Marking the sad events of 1940 when, following the 14 June ultimatum of the Soviet Union, the USSR 8th and 11th armies (totalling 15 divisions) crossed the Lithuanian State border on 15 June and remained in Lithuania for 50 years, the Seimas of the Republic of Lithuania recalls:

throughout the occupation, the United States of America maintained that the acquisition of Baltic territory by force was not permissible under international law and refused to recognize Soviet sovereignty over these lands;

on 15 July 1940, President Franklin D. Roosevelt issued the Executive Order which froze Baltic assets in the United States to prevent them from falling into Soviet hands;

on 23 July 1940, Acting Secretary of State Sumner Welles issued the first public statement of United States policy of nonrecognition of the Soviet takeover of the Baltic countries, condemning that act of annexation.

The Seimas of the Republic of Lithuania, recalling that during the Soviet occupation all US Presidents, the Congress and the Government consistently supported the policy of nonrecognition of the Soviet takeover of the Baltic States, allowing the diplomatic representatives of Lithuania and other Baltic States to continue to represent

their nations and at the same time keeping up the spirit of the Baltic States and inspiring hope to restore independence, that as early as in 1959, Congress designated the third week in July as "Captive Nations Week", and in 1981, Congress passed the decision declaring 14 June as "Baltic Freedom Day", while throughout the struggle of the Baltic countries for the restoration of their independence in 1990 and 1991. Congress passed a number of resolutions that underscored its continued support for the nonrecognition policy and for Baltic self-determination,

appeals to all the citizens of the United States of America and expresses gratitude to them for the fact that during the past 60 years the Presidents and the Congress elected by them defended democracy and human rights, that all this time they - the highest officials of the powerful and strong State - have also been friends of our country, who, despite the big and aggressive neighbour of Lithuania, have supported Lithuania's aspiration to restore its independence and now support its aspiration to ensure its future by integrating into the EU and NATO.

The Seimas of the Republic of Lithuania expresses gratitude to all those who supported us during the hard and tragic time for our State, and extends best wishes for overall success to every American family, each US citizen.

FIRST DEPUTY CHAIRMAN OF
THE SEIMAS OF THE REPUBLIC OF LITHUANIA

ARVYDAS VIDŽIŪNAS



LIEUVOS RESPUBLIKOS SEIMAS
SEIMAS OF THE REPUBLIC OF LITHUANIA

APPEAL

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THE CONGRESS OF THE UNITED STATES OF AMERICA
AND ALL US CITIZENS**

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FIRST DEPUTY CHAIRMAN OF
THE SEIMAS OF THE REPUBLIC OF LITHUANIA

ARVYDAS VIDŽIŪNAS

OPTIONAL FORM 99 (7-90)

2029280486

T-867 P.02/02 F-170

FAX TRANSMITTAL

of pages 1

To DLIS NORUAND	From DANIAN LEADER
Dept./Agency	Phone #
Fax #	Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

No. 32 - 00

The Embassy of the Republic of Lithuania presents its compliments to the Department of State of the USA and has the honor to convey the gratitude and appreciation of the Government of the Republic of Lithuania of the efforts by the US Coast Guard and its 11 District/Pacific Area in carrying out since June 21, 2000 the search of the missing Lithuanian M/V Linkuva.

The fate of M/V Linkuva and its crew is a matter of the major concern for the people of Lithuania and the Government of the country, therefore the Embassy of the Republic of Lithuania would like to extend herewith the request of the Government of Lithuania to renew and to further continue the search of M/V Linkuva until the concrete evidence of the fate of the crew is obtained.

The Embassy of the Republic of Lithuania avails itself of this opportunity to renew to the Department of State of the USA the assurances of its highest consideration.

Washington, D.C., June 28, 2000



TO THE DEPARTMENT OF STATE
Of the United States of America
Washington, D.C.

*USCG extended search
by a few days.*

Blinken, Antony J.

From: Hamilton, Daniel S
Sent: Wednesday, June 28, 2000 5:08 PM
To: Leader, Damian R.; Graze, Deborah E; Blinken, Antony J.
Subject: RE: FOR DICK NORLAND - Lithuanian Sunk Ship

Damian: this is a real time crisis issue, so can we be tracking the CG in real time, and getting them back out there right away. Please call me with next update, and if it's not right answer, we need to escalate pressure to get some action by their time tomorrow morning.

-----Original Message-----

From: Leader, Damian R.
Sent: Wednesday, June 28, 2000 3:49 PM
To: Graze, Deborah E; Blinken, Antony J.
Cc: Hamilton, Daniel S
Subject: RE: FOR DICK NORLAND - Lithuanian Sunk Ship

Dick-

Dan agrees with you that the USCG should extend the search on the margins a couple more days. I have contacted the USCG (Cmdr. Karl Schultz at 267-2100) and told them that is the wish of the State Dept and the NSC, and used your name as well. Cmdr. Schultz is now working on this up his line but I do not know for certain what the USCG decision will be. Stasys has told me he is going to fax a dip note to me on this as well, which I will share with you when I get it.

Damian

-----Original Message-----

From: Graze, Deborah E
Sent: Wednesday, June 28, 2000 2:12 PM
To: Blinken, Antony J.
Cc: Leader, Damian R.
Subject: FW:FOR DICK NORLAND - Lithuanian Sunk Ship
Importance: High

Dick: this is what Damian found out from the Coast Guard (had trouble reaching them until just prior to Stasys' meeting with Dan Hamilton). We'll let you know how Dan handles this and if any follow-up. Sounds sad, but also like the USCG really did their best.

-----Original Message-----

From: Leader, Damian R.
Sent: Wednesday, June 28, 2000 1:56 PM
To: Hamilton, Daniel S
Cc: Graze, Deborah E
Subject: Lithuanian Sunk Ship
Importance: High

Dan-

Sakalauskas will raise with you a GOL request to resume the search for a Lithuanian ship which disappeared in a storm last week in the Pacific.

The CG says that they searched for eight days (June 21-27) before suspending the search at nightfall yesterday. They found a debris fields, two empty life boats, and inflatable raft, and other pieces, but no survivors or bodies. The CG used a lot of resources, and believes that the possibility of finding survivors is very small.

The CG will get me some approved language so we can reply to this request on paper later. They said the only time searches are continued beyond this point is if there is a high level political push to do so.

Damian

Norland, Richard B. (EUR)

From: Norland, Richard B. (EUR)
Sent: Thursday, June 29, 2000 5:11 PM
To: @APNSA
Cc: @EUROPE - European Affairs; @RUSSIA - Russia/Ukraine
Subject: For SRB-Reffe Meeting: Lithuania [UNCLASSIFIED]

TO: Sandy Berger
THROUGH: Tony Blinken
FROM: Dick Norland

concurrences: Andrew Weiss, Timothy Almon

Paige Reffe wants to meet with you in his capacity as a lobbyist for the Lithuanian government. The main issue on his agenda is trying to secure a Presidential stop in Vilnius. He will also raise efforts to pin down U.S. support for Lithuanian membership in NATO during the remainder of the Administration. He recently discussed these issues with Leon Fuerth.

The Lithuanians, starting with President Adamkus, want to thank President Clinton for his commitment to Baltic freedom, and view a stop in Vilnius as a way to acknowledge his support. They would probably try to stage an event at which all three Baltic presidents could express their appreciation to the President. A visit has greater urgency in view of heightened concern in the Baltic states about recent Russian behavior, which has ranged from rhetorical accusations of neo-fascism to subtle political and economic pressure. The Lithuanians view a bilateral meeting with the President on the margins of the Millennium Summit or some similar event as a "fallback." You should confirm that the President appreciates President Adamkus' oft-repeated invitations to meet and that we hope there will be a chance to meet later this year (see attached POTUS letter).

Reffe was a key organizer of the May 18-19 Vilnius Conference that produced the "big-bang" statement in which nine NATO aspirants pledged to work together to advance their candidacies simultaneously. Reffe will appreciate your gesture in meeting with Baltic-American groups to discuss NATO and other issues on June 14, and understands the Administration's Open Door policy: (i) focus on the practical work of the aspirant country Membership Action Plans; (ii) pursue full integration of the first three new members; (iii) but avoid committing next administration to specific countries or timetables. He may nevertheless urge senior Administration figures to become more engaged with Baltic-American groups on these matters through the rest of the term.

Reffe may echo President Adamkus' request that we facilitate commercial cooperation between Russian energy companies and the Williams Company, a U.S. firm that is playing a major role in modernizing Lithuania's oil industry. Despite difficulties attributable in part to Russian negotiating tactics and in part to Williams' inexperience in the international arena, Williams has made progress in its negotiations with Lukoil and recently signed a protocol aimed at securing long-term crude oil supply contracts needed to obtain financing for plant modernization. Our Embassy in Moscow is facilitating contacts between the parties as they work toward negotiated contracts this summer.

We understand the Slovaks plan to hire Reffe to direct their NATO entry effort. Reffe may mention this to you as well.

Points to Make

- President appreciated President Adamkus' letter before he met with Putin -- Lithuanian concerns very much on his mind during Moscow talks, as POTUS told Adamkus in his June 26 letter.
- President also appreciates Adamkus' invitation, and we are looking to see if there is any way schedule could accommodate a meeting later this year.
- Congratulate you on successful Vilnius Conference in May -- from our perspective, the more the aspirants can work together, the better. Lithuania has done a good job of working on its Membership Action Plan and doing its homework for NATO membership.
- As I told Baltic-American groups on June 14, the President supports the process of making Lithuania, Latvia and Estonia the strongest possible candidates for NATO membership, even though the final decision will not be made on his watch.
- Want you and Lithuanians to know we appreciate increased efforts to prosecute war crimes, Nazi as well as Soviet. Good move to have Lithuanian Prosecutor General meet here this week with OSI Eli Rosenbaum. Trials help educate population on what happened.

[if raised] Williams Energy Investment

- As President wrote Adamkus, we will continue to facilitate commercial contacts between the Lithuanian oil industry and the Russian government as the parties work toward negotiated contracts for long-term crude oil deliveries this summer.

[if raised] FSB arrest of Lithuanian Citizen

- We don't comment on alleged intelligence matters -- although this case seems very peculiar in that the person has already been released without charge.
- More broadly, we're troubled by pattern of assertive behavior by Russian security services -- they're clearly flexing their muscles, but still not clear how much blessing their actions have from Russian leadership.
- We need to keep close eye on this -- important not to allow climate of intimidation, encourage Russians to ensure respect for rule of law, human rights.

THE WHITE HOUSE

WASHINGTON

June 26, 2000

Dear Mr. President:

Thank you for your letter regarding my visit to Moscow. I understand that Lithuania's oil industry and Lukoil are making progress in their negotiations on long-term crude oil supply contracts. We will continue to facilitate commercial contacts between the Lithuanian oil industry and the Russian government as the parties work toward negotiated contracts this summer.

Your concerns were very much in mind during my discussions with President Putin. I am convinced that, based on our talks, President Putin understands clearly the importance the United States attaches to ensuring stable and cooperative relations between Russia and its neighbors, including in the Baltic region. This issue, along with respect for democratic principles and the success of economic reforms, will have a direct impact on Russia's international integration.

To underscore our support for Lithuania, Latvia, and Estonia, I asked Deputy Secretary of State Strobe Talbott to represent the United States at the meeting of the U.S.-Baltic Partnership Commission in Tallinn. I welcome the reaffirmation at that meeting of our common vision of a Europe whole and free, and of our goal to jointly create conditions to complete the integration of Lithuania, Latvia, and Estonia into European and transatlantic institutions.

Again, thank you for your letter. I hope we will have a chance to meet later this year.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill Clinton". The signature is fluid and cursive, with a long horizontal stroke at the end.

His Excellency
Valdas Adamkus
President of the Republic
of Lithuania
Vilnius

LIETUVOS RESPUBLIKOS AMBASADA
VAŠINGTONAS



EMBASSY OF THE REPUBLIC OF LITHUANIA
WASHINGTON, D.C.

PRESS RELEASE
June 25, 2000

Contact: Rolandas Kacinskas
Phone: (202) 234-5860 x 21

**GENERAL PROSECUTOR OF LITHUANIA COMES TO WASHINGTON
TO DISCUSS LAW ENFORCEMENT ISSUES**

WASHINGTON, DC – On June 27, General Prosecutor of Lithuania Kazys Pednycia will start a four-day visit to Washington, DC. The goal of this visit is to strengthen links between law-enforcement institutions of both countries, to share experience in organized crime and corruption investigation, to discuss bilateral cooperation as well as investigation of war and genocide cases. General Prosecutor is scheduled to meet the Attorney General of Justice Department Janet Reno, Deputy Assistant Secretary of State Daniel S.Hamilton, Director of Office of Special Investigation Eli M.Rosenbaum, FBI Deputy Director, and other high officials. While in Washington, General Prosecutor K.Pednycia will be accompanied by the Ambassador at Large Alfonsas Eidintas, Chairman of the Steering group for the co-ordination of the National Holocaust Education Program.