

Originally Processed With FOIA(s):
2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files

OA/ID Number: 91124
Folder ID Number: 91124-003

Folder Title:
Soviet Power Collapse in Eastern Europe (June - July 1989)

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	3	3

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Memo	Brent Scowcroft to POTUS Re: OPIC and GSP for Hungary (2 pp.)	6/9/89	(b)(1)	C
01b. Memo	Lawrence S. Eagleburger to POTUS Re: OPIC and GSP for Hungary (2 pp.)	5/19/89	(b)(1)	C
01c. Memo	Condoleezza Rice/Timothy E. Deal to Brent Scowcroft Re: OPIC and GSP for Hungary (2 pp.)	6/7/89	(b)(1)	C
02a. Memo	Condoleezza Rice and Brent Scowcroft Re: World Bank Loans for Poland (2 pp.)	6/23/89	(b)(1)	S
02b. Talking Points	Re: Points To Be Made for Conversation with Secretary Brady (2 pp.)	n.d.	(b)(1)	C
03a. Memo	Adrian Bosora to Brent Scowcroft Re: Mitterrand Letter to the President on Poland (1 pp.)	6/27/89	(b)(1)	S
03b. Letter	President Mitterrand to President Bush [Unofficial Translation] (1 pp.)	n.d.	(b)(1)	
03c. Letter	President Mitterrand to President Bush [French] (2 pp.)	n.d.	(b)(1)	

Page 1 of 4

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Pinksheet Number: cap1046
OA/ID Number: 91124-003
Date Closed: 3/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
03d. Letter	President Mitterrand to President Bush [French] (2 pp.)	n.d.	(b)(1)	
04a. Memo	Condoleezza Rice to Brent Scowcroft Re: Scope Papers for Poland, Hungary, The Netherlands and Events in Paris (1 pp.)	6/28/89	(b)(1)	S
04b. Memo	Brent Scowcroft to POTUS Re: Scope Paper -- Your Visit to Poland (2 pp.)	6/29/89	(b)(1)	C
04c. Memo	Brent Scowcroft to POTUS Re: Scope Paper -- Your Visit to Hungary (2 pp.)	6/29/89	(b)(1)	C
04d. Memo	Brent Scowcroft to POTUS Re: Scope Paper -- Your Meeting with President Mitterrand and Other Events in Paris on July 13-14 (2 pp.)	6/29/89	(b)(1)	S
04e. Memo	Brent Scowcroft to POTUS Re: Scope Paper -- Your Visit to the Netherlands (2 pp.)	6/29/89	(b)(1)	C
05a. Memo	Brent Scowcroft to POTUS Re: The Paris Economic Summit (3 pp.)	6/29/89	(b)(1)	C
05b. Memo	James A. Baker, III and Nicholas F. Brady to POTUS Re: The Paris Economic Summit (6 pp.)	n.d.	(b)(1)	S
06a. Outline	Re: Meeting with the White House Summit Group (6 pp.)	6/29/89	(b)(1)	S

Page 2 of 4

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Pinksheet Number: cap1046
OA/ID Number: 91124-003
Date Closed: 3/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
06b. Talking Points	Re: Points To Be Made for Meeting with the White House Summit Group (1 pp.)	n.d.	(b)(1)	S
06c. Memo	Condoleezza Rice to Brent Scowcroft Re: Meeting to Brief the President on His Trip to Poland, Hungary and The Netherlands and Political Issues at the Economic Summit (4 pp.)	6/28/89	(b)(1)	S
06d. Talking Points	Re: Points To Be Made for Meeting with the White House Summit Group for Brent Scowcroft (2 pp.)	n.d.	(b)(1)	S
07a. Memo	Robert D. Blackwill to Brent Scowcroft Re: Presidential Initiatives for Poland and Hungary (1 pp.)	7/3/89	(b)(1)	S
07b. Memo	Adrian Basora to Brent Scowcroft Re: Presidential Decisions for his Trip to Poland and Hungary (2 pp.)	7/3/89	(b)(1)	S
07c. Memo	Brent Scowcroft to POTUS Re: Decisions Needed for Your Trip to Poland and Hungary (2 pp.)	n.d.	(b)(1)	S
08a. Memo	Robert L. Hutchings to Robert M. Gates Re: The President's Interview with Hungarian Journalists (1 pp.)	7/5/89	(b)(1)	C
08b. Memo	G. Philip Hughes to James W. Cicconi Re: The President's Interview with Hungarian Journalists (1 pp.)	n.d.	(b)(1)	C

Page 3 of 4

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Pinksheet Number: cap1046
OA/ID Number: 91124-003
Date Closed: 3/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
09a. Memo	Philip Zelikow to Brent Scowcroft Re: Environmental Initiatives for the President's Trip to Poland and Hungary (2 pp.)	7/5/89	(b)(1)	C
09b. Memo	Brent Scowcroft to POTUS Re: White House Summit Group Meeting, July 5: Discussion of Possible Environmental Initiatives for Poland and Hungary (1 pp.)	n.d.	(b)(1)	C
09c. Outline	Re: Message on the Environment in Poland (2 pp.)	n.d.	(b)(1)	C
09d. Outline	Re: Message on the Environment in Hungary (2 pp.)	n.d.	(b)(1)	C
10a. Memo	Eric Melby to Brent Scowcroft Re: Your Revised Talking Points for White House Summit Group Meeting, 2 p.m., July 5 (1 pp.)	7/5/89	(b)(1)	C
10b. Talking Points	Re: Talking Points (1 pp.)	n.d.	(b)(1)	C
10c. Talking Points	Re: Talking Points for Meeting of White House Summit Group July 5 (3 pp.)	7/5	(b)(1)	C
11. Memo	Eric Melby to Robert M. Gates Re: Your Query on Poland and the Hague Process (2 pp.)	7/6/89	(b)(1)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Pinksheet Number: cap1046
OA/ID Number: 91124-003
Date Closed: 3/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

~~CONFIDENTIAL~~

3889

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

ACTION

June 9, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 
SUBJECT: OPIC and GSP for Hungary



Purpose

To obtain your decision on granting Hungary Generalized System of Preferences (GSP) duty free treatment and Overseas Private Investment Corporation (OPIC) coverage.

Background

Acting Secretary of State Eagleburger has sent you a memorandum (Tab A), recommending that you approve GSP treatment and OPIC coverage for Hungary. There is strong support on the Hill for providing OPIC to Hungary as well as to Poland. We would need new legislation for OPIC, but not for GSP. State seeks your approval now so that you would be in a position to announce your decision during the visit to Budapest in July.

A decision to grant GSP and OPIC would be consistent with the central theme of your Hamtramck speech and the policy recommendations in NSR-4 to the effect that U.S. will provide economic support to and cooperate with those Eastern European countries committed to serious economic and political reform.

Reform in Hungary has been more gradual, but no less fundamental, than in Poland. The Hungarians have: legalized opposition parties; provided greater protection for what is already the freest press in Eastern Europe; and are tearing down the barbed wire on the Austrian border to permit the freer movement of people between Hungary and the West.

Assessments of whether Poland or Hungary is ahead on the path of reform vary, but it is fair to say that they are at least even. If the policy of differentiation is to mean anything, countries that meet our criteria must be treated similarly and there is not enough difference between Poland and Hungary to split them.

The Departments of Treasury, Defense, Commerce, Labor, USTR and OPIC concur with State's recommendation. Agriculture opposes GSP for Hungary in keeping with its opposition to the GSP program generally.

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526

1998-0194-F
2/18/2014 MM

~~CONFIDENTIAL~~

2

~~CONFIDENTIAL~~

RECOMMENDATIONS

That you approve the granting of GSP duty free treatment to Hungary.

Approve ☒

Disapprove ☐

That you authorize the introduction of legislation to grant OPIC coverage to Hungary.

Approve ☒

Disapprove ☐

Attachment

Tab A Incoming from Eagleburger

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

DEPARTMENT OF STATE
WASHINGTON

May 19, 1989

MEMORANDUM FOR: THE PRESIDENT

FROM: Lawrence S. Eagleburger, Acting

SUBJECT: OPIC AND GSP for Hungary

You have agreed to visit Poland and Hungary before the Economic Summit. National Security Review (NSR)-4 notes Poland and Hungary are the leading reformers in Eastern Europe and points up the importance of similar treatment by us as encouragement for comparable reform progress. On April 17 you called for Overseas Private Investment Corporation (OPIC) coverage and General System of Preferences (GSP) treatment for Poland. Given that Hungary has matched, and in some respects exceeded, Poland's progress, it merits similar OPIC and GSP treatment.

Our goal is to have OPIC legislation for both Poland and Hungary and GSP legislation for Poland passed by the time of your July visit. Legislation is not required to make Hungary eligible for GSP. Instead, the Administration must certify that Hungary is not dominated by international communism and that it has taken, or is taking, steps to afford internationally recognized workers' rights. There is no interagency objection to granting GSP to Hungary.

OPIC for Hungary was defeated in the House last year over questions on workers' rights. Since then, Hungary has taken steps to improve its workers' rights image, including enactment of a new strike law, and independent trade unions now exist. I have called Lane Kirkland and urged the AFL-CIO's support. Kirkland informed me that he is prepared to support OPIC for Hungary as long as it is subject to annual review for workers' rights. OPIC would prefer that the legislation for Hungary contain no additional conditionality. However, we anticipate that OPIC could agree to certain language to this effect, if necessary. OPIC currently has to submit an annual review on workers' rights for the program in the People's Republic of China.

~~CONFIDENTIAL~~
(DECL:OADR)

DECLASSIFIED
PER E.O. 13526

1998-0194-F

2/18/2014 JAH

~~CONFIDENTIAL~~

-2-

I believe it is important for us to introduce the OPIC legislation now. Our action will give the Hungarians an incentive to take further steps to improve workers' rights (new legislation is planned this fall) and to implement the strike law in an acceptable fashion. Furthermore, as you made clear in your Hamtramck speech, all of these actions are conditional: should Hungary (or Poland) discontinue progress toward workers' rights, OPIC coverage and GSP could be suspended.

Our hope would be to announce the extension of GSP to Hungary and negotiation of the bilateral OPIC agreement during your July visit. We are examining other initiatives we could announce for both countries during your visit.

We recommend:

(1) That you approve the granting of GSP duty free entry to Hungary.

(2) That you approve our introducing legislation to grant OPIC coverage to Hungary, with a view to passage before your arrival in Budapest.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

3889
REDO

June 7, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: DEANE E. ~~HOFFMANN~~/ROBERT ~~D.~~ BLACKWILL/
VIRGINIA ~~LAMPLEY~~

FROM: CONDOLEEZE ~~A.~~ RICE/TIMOTHY ~~E.~~ DEAL

SUBJECT: OPIC and GSP for Hungary

The memorandum at Tab I transmits Larry Eagleburger's recommendation (Tab A) that the USG seek GSP treatment and OPIC coverage for Hungary.

Your memorandum supports State's recommendations with which most interested agencies concur (Treasury, DOD, Commerce, Labor, USTR, and OPIC). Agriculture opposes GSP for Hungary in keeping with its opposition to the GSP program generally.

Legislation would be necessary to grant OPIC to Hungary. For GSP, the President need only certify that Hungary is not under the domination of international communism (which we have done in the past for Romania and will for Poland).

We know that you have reservations about introducing legislation for Hungary until the Hungarians achieve a "benchmark" in their reforms. Reform in Hungary has been more gradual, but no less fundamental, than in Poland. The Hungarian Communist Party is weak and divided but reforms are proceeding rapidly. The reforms include: legalization of opposition parties, though their rights and responsibilities must still be defined; greater protection for what is already the freest press in Eastern Europe; and tearing down of the barbed wire on the Austrian border to permit freer movement of populations between Hungary and the West. The Hungarian Party is also trying to gain popular legitimacy by rehabilitating Imre Nagy, the Party leader who was executed in 1958 for his leading role in the events of 1956.

Assessments of whether Poland or Hungary is ahead on the path of reform vary, but it is fair to say that they are at least even. If the policy of differentiation is to mean anything, countries that meet our criteria must be treated similarly and there is not enough difference between Poland and Hungary to split them.

DECLASSIFIED
PER E.O. 13526

1998-0194-F
2/18/2014 MM

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

In short, we believe that reform in Hungary has advanced far enough to warrant extension of OPIC and GSP. There are three reasons to propose legislation for Hungary now:

- The President's upcoming visit to Hungary makes it imperative that we structure a package for Hungary similar to the one for Poland.
- Congress wants to propose Hungary and Poland jointly. We consider it desirable to propose separate legislation for the two countries. Yet, Congress will in all likelihood bring them together -- whether we propose legislation for Hungary or not. It is important for our relations with Hungary and the credibility of our new Eastern European policy that we are on the public record as favoring OPIC for Hungary, regardless of how Congress eventually shapes the legislation.
- OPIC was defeated in the House last year over questions of workers' rights. Eagleburger argues, and we agree, that Hungary has taken steps to improve the situation, including enactment of a new right to strike law. The AFL-CIO will support OPIC if it is subject to annual review.

RECOMMENDATION

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

Attachments

Tab I Memo to the President
Tab A Incoming from Eagleburger

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~SECRET~~

CHRON FILE

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

4992

~~SECRET~~

June 23, 1989

ACTION

Natl Sec Advisor
has seen

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: CONDOLEEZZA RICE *CR*
SUBJECT: World Bank Loans for Poland

As we noted in yesterday's meeting, we want to revisit the issue of supporting World Bank loans for Poland before an IMF stand-by is negotiated. This was the only proposed measure that the President did not approve at the time of the Hamtramck speech. The State Department supported the measure and State tells us that Secretary Baker has not changed his position. Treasury was opposed at the time.

There are four loans, totalling \$825 million that the World Bank has divided into two groups. The World Bank staff has determined that two, totalling \$325 million, are for economically sound projects. The Bank staff believes that further reform is required before the other two projects are ready. We would ask the World Bank management to approve the first two loans on the merits of the projects immediately and to use its discretion in evaluating the other two. The key is that we would drop our demand that an IMF stand-by arrangement be negotiated first.

The World Bank loans require no new U.S. budgetary outlays but the \$825 million dollars (\$325 million immediately available) is a significant figure, helping to enhance our package. A great deal has changed in Poland since Hamtramck and we continue to worry that the package of initiatives that we are preparing is inadequate to meet mounting political expectations.

We recommend that you talk to Secretary Brady and seek his agreement to support delinking the World Bank loans from an IMF stand-by. Talking points for your conversation with Secretary Brady are at Tab I.

CR for Jim Deal concurs.

DECLASSIFIED
PER E.O. 13526
2009-0994-MR
1/6/2014 MM

~~SECRET~~

~~SECRET~~

Declassify on: OADR

~~SECRET~~

- 2 -

~~SECRET~~

RECOMMENDATION

That you seek Secretary Brady's agreement for a Presidential announcement in Warsaw that the United States will encourage the World Bank to delink the \$825 million dollars in already approved loans from an IMF stand-by agreement. When you have discussed this with Secretary Brady, we will prepare a decision memorandum for the President.

Approve ✓

Disapprove

Action required by COB June 26

Attachment

Tab I Talking Points for Conversation with Secretary Brady

~~SECRET~~

~~SECRET~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Points to be Made for Conversation with Secretary Brady

- The President's trip is potentially of unparalleled historic significance in the postwar period. Poland and Hungary are literally on the verge of a new era and all eyes are on the President.
- We've been working hard to come up with economic initiatives to meet the expectations in those two countries and there just isn't a great deal that we can do given our budgetary constraints.
- I'd like to ask you to rethink your position on delinking World Bank loans for Poland from an IMF stand-by program.
- You remember that this is the only measure, proposed at the time of Hamtramck, that the President did not approve.
- Two of these loans have been judged to be for economically viable projects in Poland and are ready for Bank management approval. We believe that the Bank will approve the loans if the U.S. indicates support.
- One is for industrial restructuring of petrochemical production and the other for agricultural industrial development.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526

2009-0994-MR
1/6/2014 MM

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

- We don't have the resources for a massive aid program but these loans, which have no budgetary impact, can help to enhance the package that the President announces.
- There are two others pending for energy development and we can let the Bank decide when to release those two.
- The President could announce in Warsaw that we support Poland's desire to proceed with the loans in advance of an IMF stand-by citing all the appropriate caveats about the World Bank being an independent institution.
- I think we can convince the allies and that the Bank management would be willing to approve the loans if we signal our support.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

June 26, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: CONDOLEEZZA RICE *CR*

SUBJECT: Message from President Bush to the Hungarian People

Natl Sec Advisor
has seen

The NSC Staff believes that the draft foreward strikes exactly the right tone. The President is reviewing the language personally. We wanted to make certain that you were comfortable with text.

RECOMMENDATION

That you review the proposed draft foreward at Tab I

Approve *RB* Disapprove _____

Review Required by: June 27, 1989

Attachment:
Tab I Draft Foreward

WHITE HOUSE STAFFING MEMORANDUMDATE: 6/23/89 ACTION/CONCURRENCE/COMMENT DUE BY: 6/25/89 c.o.b.SUBJECT: MESSAGE FROM PRESIDENT BUSH TO THE HUNGARIAN PEOPLE

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☐	☐
SUNUNU	☐	☒	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☐	☐
DARMAN	☐	☐	STUDDERT	☐	☐
BATES	☐	☐	UNTERMAYER	☐	☐
BREEDEN	☐	☐	RHODES	☐	☒
CARD	☒	☐	<u>PRESOCK</u>	☐	☒
CICCONI	☐	☐	<u> </u>	☐	☐
DEMAREST	☒	☐	<u> </u>	☐	☐
FITZWATER	☒	☐	<u> </u>	☐	☐
GRAY	☒	☐	<u> </u>	☐	☐
HAGIN	☐	☐	<u> </u>	☐	☐

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than c.o.b. Monday, June 26, 1989, with an info copy to my office. Thank you.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

THE WHITE HOUSE
WASHINGTON

June 21, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *W*
FROM: MARY KATE GRANT *MKG*
SUBJECT: Proposed introduction for your autobiography,
which will be printed in Hungary prior to your
arrival

I. SUMMARY

Attached for your review is a suggested introduction to your autobiography, "Looking Forward," which will be published in Hungary before your arrival in Budapest. The attached message will be translated into Hungarian, and will be sent with the manuscript to the printer as soon as possible.

II. DISCUSSION

USIA would like the book to open with a brief "Message to the Hungarian People" from you. Translation of the book has been completed, according to USIA, and the project has the support of both the Hungarian Ministry of Foreign Affairs and the American Embassy. (A grant from USIA has enabled a Hungarian publisher to acquire the rights for an edition of 10,000 copies.) The front cover of the book will be labeled with the phrase, "With a Message to the Hungarian People from President Bush."

I have attached the original cables from USIA, which contain USIA's suggested text as well.

June 21, 1989

MESSAGE TO THE HUNGARIAN PEOPLE:

I am very pleased and very proud to see a Hungarian edition of my autobiography. I hope that Hungarian readers will regard this book not just as a singular account of my life, but as a larger portrayal of the tremendous opportunities for achievement in a free, democratic society. As President and a former businessman, I have seen the power of free enterprise and democracy in my life -- and in the lives of many Americans.

In our country, we all have the same rights and freedoms -- all Americans are given equal opportunity under the law. This allows each American to pursue his or her dreams, whatever they may be. Opportunity is central to our very way of life.

My experience in both business and public life has left me certain about one thing: there is very little that an individual -- and society as a whole -- cannot accomplish in an environment of political and economic freedom.

Like most Americans, I am convinced these freedoms cannot be separated from each other. The history of the 20th Century has taught us a valuable lesson -- that a nation cannot enjoy political freedom if its economy is being crushed by the dead weight of state interference. Conversely, we have also seen that

economic growth remains rootless and fragile if it is not accompanied by democratic political institutions.

I know that Hungarians, no less than Americans, value both political and economic freedom. Hungarians, like Americans, want a society in which the rights of the individual are inviolable, in which government exists by and for the people, and in which the economy moves forward free from the shackles of state control.

The government and people of the United States look forward to a future of cooperation and understanding between our nations.

#

UNCLASSIFIED

UNITED STATES
INFORMATION AGENCY

INCOMING
TELEGRAM

EU

PAGE 01

032096 ICA892
12/15/02

032096 ICA897

INFO DSD-02 /052 A2 1 HANROS 6-12-89

ACTION OFFICE F-06

INFO TCOG-01 DSO-02 MS-03 DR-01 /015 A4 5

OO RUEHIA

DE RUOKDA 46300/01 1631455

ZNR UUUUU 22M

O 121453Z JUN 89

FM AMEMBASSY BUDAPEST

TO RUEADWW/WHITEHOUSE WASHDC IMMEDIATE

INFO RUEHIA/USIA WASHDC 8188

RUEHIC/SECSTATE WASHDC 6290

BT

UNCLAS SECTION 01 OF 02 BUDAPEST 06366

WHITE HOUSE FOR DAVID DEMAREST

USIA FOR E/CGF: VELCH; E/CB: EU: JORJA

STATE FOR EUR/EEY FOR SWIHART

E.O. 12356: M/A

TAGS:

SUBJECT: HUNGARIAN EDITION OF PRESIDENT BUSH'S
AUTOBIOGRAPHY

REF: BUDAPEST 05883

1. AFTER DISCUSSIONS WITH THE PRE-ADVANCE TEAM FOR THE PRESIDENT'S JULY VISIT TO BUDAPEST, WE ARE REPEATING REFTEL FOR WHITE HOUSE ACTION (REFTEL WAS ORIGINALLY SENT TO PRE-ADVANCE TEAM FOR ACTION). WE WOULD APPRECIATE RECEIVING AS SOON AS POSSIBLE AN APPROVED TEXT OF PRESIDENT'S MESSAGE TO THE HUNGARIAN PEOPLE SO THAT WE CAN MOVE FORWARD WITH PUBLISHING THE PRESIDENT'S AUTOBIOGRAPHY PRIOR TO HIS ARRIVAL IN BUDAPEST. IT WOULD BE GREAT IF WE COULD GET THE APPROVED TEXT ON WHITE HOUSE STATIONERY, SIGNED BY PRESIDENT. WE WOULD THEN REDUCE PAGE TO SIZE APPROPRIATE FOR BOOK AND FOLLOW IT WITH A HUNGARIAN TRANSLATION.

2. BEGIN TEXT OF REFTEL: HUNGARIANS WANT TO PUBLISH PRESIDENT BUSH'S AUTOBIOGRAPHY "LOOKING FORWARD" BEFORE HIS ARRIVAL HERE IN JULY. PROJECT HAS STRONG SUPPORT OF BOTH HUNGARIAN MFA AND AMERICAN EMBASSY. WORK HAS MOVED AHEAD SWIFTLY AND IS FULLY ON TRACK. THANKS TO A GRANT FROM USIA WASHINGTON, HUNGARIAN

PUBLISHER HAS ACQUIRED RIGHTS FOR EDITION OF 10,000 COPIES. TRANSLATION, DONE BY ONE OF HUNGARY'S BEST KNOWN TRANSLATORS, IS COMPLETE. MANUSCRIPT IS NOW READY TO GO TO PRINTER.

3. WE WOULD LIKE HUNGARIAN EDITION TO OPEN WITH A BRIEF "MESSAGE TO THE HUNGARIAN PEOPLE" FROM THE PRESIDENT. HUNGARIANS AGREE AND PLAN TO PLACE ON THE FRONT COVER OF THE BOOK A TRIANGLE, MADE OUT OF THE U.S. AND HUNGARIAN FLAGS, CONTAINING THE PHRASE: "WITH A MESSAGE TO THE HUNGARIAN PEOPLE FROM PRESIDENT BUSH."

4. THE FOLLOWING IS SUGGESTED TEXT FOR THE PRESIDENT'S MESSAGE. WE WOULD APPRECIATE RECEIVING YOUR APPROVAL OR REVISION OF TEXT AS SOON AS POSSIBLE.

5. A MESSAGE TO THE HUNGARIAN PEOPLE

I AM VERY PLEASED AND VERY PROUD TO SEE A HUNGARIAN EDITION OF MY AUTOBIOGRAPHY. I HOPE THAT HUNGARIAN READERS WILL REGARD THIS BOOK NOT JUST AS AN ACCOUNT OF MY OWN INDIVIDUAL DEVELOPMENT BUT ALSO AS A PORTRAYAL OF THE TREMENDOUS OPPORTUNITIES FOR ACHIEVEMENT AND SELF-FULFILLMENT THAT ARE PRESENT IN A FREE, DEMOCRATIC SOCIETY.

A LONG CAREER IN BOTH BUSINESS AND PUBLIC LIFE HAS LEFT ME CERTAIN ABOUT ONE THING: THERE IS VERY LITTLE THAT THE INDIVIDUAL--AND SOCIETY AS A WHOLE--CANNOT ACCOMPLISH IN AN ENVIRONMENT OF POLITICAL AND ECONOMIC FREEDOM.

THAT I EMPHASIZE BOTH TYPES OF FREEDOM IS NO ACCIDENT. LIKE MOST AMERICANS, I AM CONVINCED THAT POLITICAL AND ECONOMIC FREEDOM CANNOT BE SEPARATED FROM EACH OTHER. IF THERE IS ANYTHING THAT THE HISTORY OF THE 20TH CENTURY TEACHES US IT IS THAT A NATION CANNOT ENJOY POLITICAL FREEDOM IF ITS ECONOMY IS BEING CRUSHED BY THE DEAD WEIGHT OF STATE INTERFERENCE. AT THE SAME TIME, WE HAVE SEEN THAT ECONOMIC DYNAMISM REMAINS ROOTLESS AND FRAGILE IF IT IS NOT ACCOMPANIED BY DEMOCRATIC POLITICAL INSTITUTIONS.

I KNOW THAT HUNGARIANS, NO LESS THAN AMERICANS, VALUE BOTH POLITICAL AND ECONOMIC FREEDOM. HUNGARIANS, LIKE AMERICANS, WANT A SOCIETY IN WHICH THE RIGHTS OF THE INDIVIDUAL ARE INVOLABLE, IN WHICH GOVERNMENT SERVES AND IS CONTROLLED BY THE PEOPLE, AND IN WHICH THE ECONOMY IS ALLOWED TO DEVELOP FREE FROM THE SHACKLES OF STATE CONTROL.

WE IN THE UNITED STATES ARE HAPPY TO SEE THE PROGRESS
BT
06366

*needs to be
approved by POTUS*

JUN 12 12:08

UNCLASSIFIED

UNCLASSIFIED
UNITED STATES
INFORMATION AGENCY

INCOMING
TELEGRAM

EU

PAGE 01

032022 ICA094
12/1510Z

ACTION OFFICE E-08
INFO TCOC-01 DSQ-02 MS-03 DR-01 /015 A4 5

OO RUEHIA
DE RUOKDA *6366/02 1631456
ZNR UUUUU ZZH
O 121453Z JUN 89
FM AMEMBASSY BUDAPEST
TO RUEADWW/WHITEHOUSE WASHDC IMMEDIATE
INFO RUEHIA/USIA WASHDC 8189
RUEHC/SECSTATE WASHDC 6291

BT

UNCLAS SECTION 02 OF 02 BUDAPEST 06366

WHITE HOUSE FOR DAVID DEMAREST

USIA FOR E/CBF: WELCH; E/CB; EU: JORIA

STATE FOR EUR/EEY FOR SWIHART

E. O. 12356: N/A

TAGS:

SUBJECT: HUNGARIAN EDITION OF PRESIDENT BUSH'S

HUNGARY HAS MADE TOWARD ACHIEVING SUCH A SOCIETY. WE STRONGLY SUPPORT THE PROCESS OF REFORM CURRENTLY UNDERWAY AND HOPE THAT IT WILL CONTINUE UNABATED. THE EMERGENCE OF A MULTIPARTY SYSTEM, THE CONSTRUCTION OF A NEW CONSTITUTION THAT WILL LIMIT THE POWERS OF THE STATE AND GUARANTEE THE RIGHTS OF ALL CITIZENS, THE OPENING OF THE NATION'S BORDERS, THE MELTING AWAY OF TABOOS IN THE PRESS AS WELL AS IN RADIO AND TELEVISION, THE WITHDRAWAL OF STATE BUREAUCRACY FROM THE MARKETPLACE, THE GROWTH OF THE ECONOMY'S DYNAMIC PRIVATE SECTOR--THESE ARE ALL EXCELLENT DEVELOPMENTS. IF THEY ARE NUTURED AND ARE ALLOWED TO BEAR FRUIT, THEN HUNGARY'S FUTURE LOOKS VERY BRIGHT INDEED.

THE ANNALS OF HUNGARIAN HISTORY CONTAIN MANY IMPRESSIVE CHAPTERS. AND WHEN I LOOK AT THE INTELLIGENCE, THE DETERMINATION, AND THE INDUSTRIOUSNESS OF HUNGARIANS TODAY I HAVE NO DOUBT THAT MANY BRIGHT CHAPTERS LIE AHEAD OF YOU. IF THE PROCESSES CURRENTLY IN MOTION ARE ALLOWED TO GAIN MOMENTUM, IF BOTH POLITICAL AND ECONOMIC FREEDOM CONTINUE TO GROW, THEN I'M CONVINCED THAT YOUR COUNTRY WILL EXPERIENCE A REMARKABLE SURGE OF NATIONAL ENERGY AND ECONOMIC GROWTH. THERE ARE TALENTS AND SKILLS IN ABUNDANCE HERE. IF THEY ARE ALLOWED TO BLOSSOM IN FREEDOM, THEN HUNGARY AS A NATION WILL WRITE ITS OWN SUCCESS STORY IN THE DECADES TO COME. (END PRESIDENT'S MESSAGE)

6. AS SOON AS WE RECEIVE APPROVED TEXT WE CAN HAVE IT TRANSLATED AND BOOK CAN GO TO PRINTERS. NEEDLESS TO SAY, THINGS NEED TO MOVE QUICKLY IF BOOK IS TO APPEAR BEFORE THE PRESIDENT ARRIVES IN HUNGARY. END TEXT OF REFTEL. PALMER

BT

*6366

UNCLASSIFIED

URGENT

NATIONAL SECURITY COUNCIL

TIME STAMP

EXECUTIVE SECRETARIAT STAFFING DOCUMENT

89 JUN 23 P 2: 18

SYSTEM LOG NUMBER:

4972

ACTION OFFICER: RICE

DUE: 25 JUNE

☐ Prepare Memo For Scowcroft/Gates

☐ Appropriate Action

☐ Prepare Memo For Cicconi

☐ Prepare Memo for Hughes

☒ Prepare Memo SCOWCROFT

to LINSTON

CONCURRENCES/COMMENTS*

PHONE* to action officer at ext. X 3912

FYI

☐ ☐ Basora

☐ ☐ Beers

☐ ☒ Blackwill

☐ ☐ Briggs

☐ ☐ Brooks

☐ ☐ Charles

☐ ☐ Coulson

☐ ☐ Deal

☐ ☐ Donley

☐ ☐ Dyke

☐ ☐ Ebner

☐ ☐ Grant

☐ ☐ Haass

☐ ☐ Hoffmann

☐ ☐ Hutchings

☐ ☐ Jackson

☐ ☐ LaMagna

☐ ☐ Kanter

FYI

☐ ☐ Lampley

☐ ☐ Leach

☐ ☐ Levin

☐ ☐ Lewis

☐ ☐ Mahley

☐ ☐ Mandel

☐ ☐ McCue

☐ ☐ Melby

☐ ☐ Menan

☐ ☐ Miller

☐ ☐ Miskel

☐ ☐ Needels

☐ ☐ Paal

☐ ☐ Pacelli

☐ ☐ Passage

☒ ☐ Popadiuk

☐ ☐ Porter

☐ ☐ Pryce

FYI

☐ ☐ Rademaker

☐ ☐ Reiss

☐ ☐ Rice

☒ ☐ Rodman

☐ ☐ Rostow

☐ ☐ Salvetti

☐ ☐ Snider

☐ ☐ Tilley

☐ ☐ Tobey

☐ ☐ Welch

☐ ☐ Whitley

☐ ☒ Working

☐ ☐ Zelikow

INFORMATION ☒ Hughes

☒ Scowcroft (advance)

☒ Gates (advance)

☒ Secretariat

☒ Exec. Sec. Desk

☒ SITTMANN

COMMENTS

Logged By WJR

URGENT

Return to Secretariat

CHRON FILE

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5014



June 26, 1989

Natl Sec Advisor
has seen

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: CONDOLEEZZA RICE *CR*

SUBJECT: White House Meeting on Poland and Hungary Prior to
the President's Trip.

We met with Jim Cicconi, Bobbi Kilberg (Public Liaison) and Dave Demarest to discuss the concept of a July 6 Presidential meeting with leading representatives of the private sector. They agree with us that the meeting is a good idea and should be done before the President's departure. The meeting would give maximum press exposure to East European issues on the eve of the President's trip. A brief concept paper and program outline are attached at Tab I. The guest list is notional.

We recommend that you raise the concept of the meeting with Governor Sununu as well as his own participation in it. You might then raise the idea with the President.

In order to organize the conference, we need to know by COB today whether to proceed.

Tim Deal concurs. *TD*

RECOMMENDATION

That you talk with Governor Sununu about the conference and then raise the idea with the President.

Action required by: COB June 26

Approve *RB*

Disapprove _____

White House Meeting on Eastern Europe

Concept

The President would invite leading representatives of the private sector to two-plus hour meeting on July 6 on the growth of democracy in Eastern Europe. Leaders from education, business, labor, foundations and the Polish and Hungarian-American communities would gather to talk about what the United States can do to support democracy in Poland and Hungary. The meeting could be billed as "a thousand points of light" reaching beyond the borders of the United States to the emerging democracies of Eastern Europe.

Program

The President would issue a "charge" to the American private sector to get intensely involved in Poland and Hungary. University Presidents would be asked to make a special effort to bring Polish and Hungarian students and faculty to their schools; businessmen to invest; labor to nurture the free trade union movement and support workers during restructuring of the economies; and foundations heads to fund exchanges and cultural development programs.

The entire program should be no longer than two and one-half hours and the President would reappear in time for a reception to close the meeting.

Possible Schedule of Events

(Master of Ceremonies---- Gates or Blackwill)

1. Introduction by the President (10 minutes)

Governor Sununu could welcome the group and then introduce the President.

(Press coverage of President's remarks only).

2. Panel of Experts on Developments in Poland and Hungary.

Larry Eagleburger - Panel Chairman (10 minutes) on U.S. Policy

Panel: Zbigniew Brzezinski, Charles Gati, 2 State Department Experts on Poland and Hungary. (5 minutes each)

Q&A for Audience

3. Opportunities in Poland and Hungary

5 minute presentations by:

CEO whose company is already doing business in Poland and Hungary.

Report on U.S. University activities in Poland and Hungary.
(Stanford in Krakow).

Lane Kirkland or another major labor leader on AFL-
CIO/Solidarity link.

Foundation head on foundation activities in Poland and/or
Hungary.

4. Summary by Scowcroft (15 minutes).
5. Presidential reception. (45 minutes).

Guest List

Labor Leaders

University Presidents

Harvard
Yale
Princeton
Chicago
Stanford
Notre Dame
Georgetown
Michigan
Texas
Columbia
M.I.T.
Pennsylvania University
University of California at Berkeley
UCLA
Ohio State
Indiana

Businessmen

OPIC has prepared a list.

Polish-Americans

Leading Polish-American citizens and heads of Polish-American organizations.

Hungarian-Americans

Leading Hungarian-American citizens and heads of Hungarian-American organizations.

Foundation Heads

Carnegie

Scaife

MacArthur

Ford

Rockefeller Foundation and Brothers' Fund

Olin

Kettering

Joyce

Hewitt

George Soros Foundation

German Marshall Fund

David Rockefeller

Pew Charitable Trust

Mellon (John Whitehead is new Chairman)

Foreign Policy Opinion Leaders

John Mroz

Institute for East-West Security

Peter Tarnoff

Council on Foreign Relations

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

CHRON FILE

4968

June 27, 1989

INFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: DAVID C. MILLER, JR.

FROM: NANCY BEARG DYKE *NBD*

SUBJECT: USIA Eastern European Initiatives

*OK, so long as
the programs do
not smack of
promoting revolution*

Natl Sec Advisor
has seen

The attached memo from USIA Director Bruce Gelb delineates a major new initiative in Eastern Europe, which USIA will fund and carry out. It does not require any action on your part, since USIA has already approved the plan, and earmarked money (\$6.1 million) and staff to run the program. It is worth glancing at, however, since it represents a major commitment of USIA's available resources, and supports the President's determination to encourage decentralization in Eastern Europe by supporting people and programs that consolidate the democratic process.

We are working with Condi Rice and the White House Press Office to ensure that this initiative is announced by the President in the most effective way, and that fact sheets and press releases are made available in a timely manner.

Concurrences by: *CR* Condi Rice and Roman Popadiuk *RPT for*

Attachment

Tab I Memorandum from Bruce Gelb



June 22, 1989

4968

MEMORANDUM FOR: The Honorable Brent Scowcroft
Assistant to the President for
National Security Affairs
The White House

FROM: Bruce S. Gelb *BSG*
Director

SUBJECT: Proposed Action Program for Eastern Europe:
The Democratic Dialogue

USIA plans a major new initiative in Eastern Europe as part of President Bush's effort to intensify U.S. relations with changing communist societies. The initiative includes programs that go beyond "bridge-building" and targets five substantive fields:

1. political and legal institutions;
2. market economics and private enterprise;
3. freedom of information and the media;
4. environmental protection and cultural preservation;
5. educational and youth exchanges.

We recommend that the President announce the initiative as a "democratic dialogue" with the elements promoting change in Eastern Europe. The announcement could be made in a major speech either during the July trip or on the eve of his departure for Poland and Hungary. The President could identify the five key areas and speak generically about a series of substantive exchange programs to encourage progress toward democracy and market economics, a trend that increasingly resonates in these societies.

USIA is prepared to reprogram up to \$6.1 million from FY 1990 resources in order to launch this new initiative. Congressional action on the Agency's FY 1990 budget, now pending, will influence USIA's ability to respond. USIA will not be able to shoulder this ambitious undertaking alone. We will coordinate with the NSC and other USG agencies as well as with the National Endowment for Democracy, which has complementary programs in the same region. We also will work to engage private Americans and private sector organizations in helping Eastern Europe to join the democratic community of nations. As a follow-on to the "1,000 points of light" theme, the President's public endorsement of this initiative will greatly encourage such efforts.

LIMITED OFFICIAL USE

-2-

The initiative's main emphasis will be in Hungary and Poland, where change is happening rapidly, but we will have the capacity to expand in other Warsaw Pact countries as the opportunities develop to encourage economic and democratic reform. Attached is a list of illustrative program proposals we could develop for the "democratic dialogue" with Eastern Europe and to which the President could make specific reference.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

THE DEMOCRATIC DIALOGUE PROGRAM PROPOSALS FOR EASTERN EUROPE

General

American Cultural Center, Warsaw: The establishment of the center, if current negotiations are successful, will provide a major U.S. platform for exhibits, the distribution of books, magazines, videocassettes, as well as expanded people-to-people contacts in Poland.

White House Conference on Eastern Europe: A conference to bring together key private sector groups (including foundation and corporate executives) receptive to efforts to support the development of democratic and economic reform in Eastern Europe.

Political, Social, and Legal Institutions

Congressional Exchange Program: A series of two-way consultative and orientation visits by U.S. members of Congress, staffers and experts in the legislative process and members of the Hungarian and Polish parliaments.

Samuel Gompers Labor Leader Exchanges: In partnership with American labor and business, the U.S. Government (USIA and Departments of State and Labor) can develop a series of short-term exchanges to introduce Eastern European trade union leaders to American union operations.

President's East European Citizen Exchange Initiative: In an effort similar to the 1985 Presidential Soviet Exchange Initiative, USIA will seek commitments from major U.S. exchange organizations to develop person-to-person, city-to-city, and group linkages with special emphasis on Eastern European community leaders, educators, professionals, and young people.

John Marshall Study Program in the Rule of Law: USIA will work with the Departments of State and Justice, as well as with the U.S. court system at various levels, to sponsor two-way visits, seminars and consultations between U.S. and Eastern European jurists and legal scholars.

Freedom of the Media and Information

Joseph Pulitzer Fellowships in Journalism: Fellowships to enable university training and working internships for Eastern European journalists in the U.S.

Market Economics and Private Enterprise

Alexander Hamilton Fellowships in Management and Finance: Exchange fellowships for East Europeans to study in the U.S. to promote skills in managerial and marketing methods. Both academic training and internships will be featured.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

-2-

Experts in Enterprise: With support by the U.S. business community, a program to send active and recently retired American executives to run seminars and hold consultations for Polish and Hungarian private entrepreneurs.

Environmental Protection and Cultural Preservation

John Muir Fellowships: Fellowships and internships for Eastern Europeans to work in the U.S. in the fields of ecology, conservation, and environmental appreciation.

International Environmental Information Network: New USIA initiative to foster increased exchanges between environmental groups in the U.S. and overseas, including Eastern Europe.

Educational and Youth Exchange

Noah Webster Chairs In American Language and Literature: Program to establish teaching chairs at Eastern European higher educational institutions to increase fluency in English as well as greater appreciation of America's cultural tradition. The program will be also supported by distribution of language training materials and videocassettes.

Public Affairs Initiatives

Book donation to Polish Institutions: USIA will enlist the assistance of the Private Sector Book and Library Committee to provide an appropriate donation of several hundred books from U.S. publishers. We recommend that the First Lady present these books to the only private university in Eastern Europe, the Catholic University of Lublin, and the American Studies Center of Warsaw University, during her forthcoming visit with the President to Poland.

Presentation of Children's Books and Reading Session: 1989 is the UNESCO International Year of the Young Reader. Given the First Lady's long-time involvement in promoting literacy and reading programs for young people, we propose that she present a small selection of U.S. children's books to a Hungarian elementary school. The appropriate school would be one that has a special English-language instruction program, so that the First Lady could read one of the books to a group of schoolchildren.

LIMITED OFFICIAL USE

**National Security Council
The White House**

PROOFED BY: GAD

LOG # 4968

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG WJR A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	<u>1</u>	<u>W</u>	<u>A</u>
Philip Hughes	<u>2</u>	<u>APB</u>	
Bob Gates	<u>3</u>	<u>8</u>	
Brent Scowcroft	<u>4</u>	<u>15:51</u>	
Philip Hughes		<u>NSC</u>	
Situation Room		<u>21</u>	
West Wing Desk	<u>5</u>		<u>W</u>
NSC Secretariat	<u>6</u>		<u>N</u>
_____	_____	_____	_____
_____	_____	_____	_____

1:21
JUN 29

A = Action	<u>I = Information</u>	D = Dispatch	R = Retain	N = No further Action
------------	------------------------	--------------	------------	-----------------------

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS to see [redacted] Initiatives

~~SECRET~~ CHRON FILE

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5017

APNSA Has Seen

June 27, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: ADRIAN BASORA *AAB*

SUBJECT: Mitterrand Letter to the President on Poland

The attached letter from Mitterrand to the President was sent to you by Ambassador de Margerie on June 23. Given its pertinence to the President's trip, we have done a quick translation here rather than awaiting the official State translation.

The essence of Mitterrand's message is that Poland's economic recovery is essential for the success of the democratization process. That recovery in turn requires foreign assistance from the Western countries. France has already offered a debt rescheduling of over \$1 billion, plus over \$20 million in new short term credits. However, says Mitterrand, the measures that the President decides upon in Poland will have the determining influence on the success or failure of Polish democratization.

RECOMMENDATION:

That you show the informal translation of Mitterrand's letter to the President when you next see him.

Approve ☒ Disapprove ☐

Action needed by June 27, 1989

Attachment

Tab I Informal translation of President Mitterrand's letter on Poland

Tab II Original of letter, with de Margerie transmittal

~~SECRET~~

Declassify on: OADR

DECLASSIFIED
PER E.O. 13526

2009-0994-MR
1/6/2014 MM

~~SECRET~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Letter	President Mitterrand to President Bush [Unofficial Translation] (1 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Date Closed:	3/18/2009	OA/ID Number:	91124-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(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

*Ambassade de France
aux Etats-Unis*

5017

Washington, June 23, 1989

L' Ambassadeur

Dear Brent,

Please find herewith a letter addressed to President George Bush by President François Mitterrand, which I was asked to forward to him. I would be grateful if you would be so kind as to convey this message to the President.

With best wishes, I am,

Yours sincerely,

Boby

Emmanuel de Margerie

General Brent Scowcroft
Assistant to the President
For National Security Affairs
The White House
Washington D.C.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03c. Letter	President Mitterrand to President Bush [French] (2 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Date Closed:	3/18/2009	OA/ID Number:	91124-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 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. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (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

*Ambassade de France
aux Etats-Unis*

5017

Washington, June 23, 1989

L' Ambassadeur

Dear Brent,

Please find herewith a letter addressed to President George Bush by President François Mitterrand, which I was asked to forward to him. I would be grateful if you would be so kind as to convey this message to the President.

With best wishes, I am,

Yours sincerely,

Boby

Emmanuel de Margerie

General Brent Scowcroft
Assistant to the President
For National Security Affairs
The White House
Washington D.C.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03d. Letter	President Mitterrand to President Bush [French] (2 pp.)	n.d.	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Date Closed:	3/18/2009	OA/ID Number:	91124-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 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. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (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

NATIONAL SECURITY COUNCIL

ID 8905017

REFERRAL

DATE: 26 JUN 89

MEMORANDUM FOR: STATE SECRETARIAT

DEPT OF STATE

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: MITTERRAND, FRANCOIS

DATE: 26 JUN 89

SUBJ: LTR TO PRES FM MITTERRAND IN FRENCH

REQUIRED ACTION: FOR TRANSLATION

DUE DATE: 30 JUN 89

COMMENT:

FOR


GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

**National Security Council
The White House**

PROOFED BY: _____

LOG # 5017

URGENT NOT PROOFED: _____

SYSTEM (RRS) NSC INT

BYPASSED WW DESK: _____

DOCLOG _____ A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	_____	_____	_____
Philip Hughes	_____	_____	_____
Bob Gates	_____	_____	_____
Brent Scowcroft	_____	_____	_____
Philip Hughes	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>I</u>	_____	<u>N</u>
NSC Secretariat	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No further Action
------------	-----------------	--------------	------------	-----------------------

cc: VP Sununu Other _____

APNSA Has Seen

UNCLASSIFIED
W/SECRET ATTACHMENT

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5144
CHRON FILE

June 28, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*
FROM: CONDOLEEZZA RICE *CR*

SUBJECT: Scope Papers for Poland, Hungary, The Netherlands
and Events in Paris.

Natl Sec Advisor
has seen

The Scope Papers (Memoranda to the President) are appended at
Tabs I-IV. They are intended primarily to set the scene rather
than brief the President on the political situation in the
countries.

AB Adrian Basora and *RH* Robert Hutchings concur.

RECOMMENDATION

That you approve the Memoranda for the President (Scope Papers)
for inclusion in the Briefing Book.

Approve _____

Disapprove _____

Attachments

Tab I Scope Paper - Poland
Tab II Scope Paper - Hungary
Tab III Scope Paper - France
Tab IV Scope Paper - Netherlands

UNCLASSIFIED UPON
REMOVAL OF CLASSIFIED
ATTACHMENTS
CAP *4/23/12*

UNCLASSIFIED
W/SECRET ATTACHMENT
Declassify: on OADR

~~SECRET~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5144

THE WHITE HOUSE
WASHINGTON

INFORMATION

June 29, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 
SUBJECT: Scope Paper -- Your Visit to Poland

Setting: Poland is a country of contrasts -- between a dynamic political awakening and a stagnant and worsening economic situation. Solidarity's overwhelming electoral victory left no doubt that the Communist Party is despised and mistrusted. The results have strengthened the voices of Party conservatives who never supported the Roundtable and predicted that Jaruzelski's accommodation would produce precisely this result. On the other hand, Solidarity emerged from the victory with a crisis of identity. The union is reluctant to swap its role as outsider for a responsible place in governing Poland and imposing economic reforms. Solidarity worries that its own constituency will turn against the union in the face of the worker dislocation and unemployment that is bound to result from economic restructuring. There is, therefore, a political vacuum at the time when Poland desperately needs strong leadership: Solidarity is legitimate but not in power and the regime is in power but not legitimate. The low voter turnout for the freest election in postwar Poland served notice on both the regime and the opposition that the population's patience with perpetual economic crisis is wearing thin.

Tenor and Objectives: Your visit is meant to demonstrate U.S. support for incipient democratic processes in Poland and to underscore the West's commitment to helping the Poles through the difficult times ahead. Other Western leaders have been and are planning to go to Poland but it is not an exaggeration to say that the Poles look first and foremost to America and thus to you as a beacon of hope. This leads to high expectations of what the United States can do. Your public statements will stress our willingness to help while exhorting the Poles to help themselves.

The high point of your activities in Warsaw will be your speech before the Polish Parliament, the first such occasion in the postwar era. ~~You will not make many more important foreign policy speeches than this one in your Presidency.~~

Your meetings are designed to recognize the unique contributions of Jaruzelski and the regime on the one hand and Solidarity on the other. Several Western leaders have hailed Jaruzelski as a

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526

2011-0162-MR
SS 10/19/12

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

Polish patriot -- a description that is too far for us to go. But he is most certainly a man who, perhaps focused on his place in history, understands the necessity of compromise. It was, after all, Jaruzelski who threatened to resign if the Party did not permit the Roundtable negotiations to take place.

In Gdansk, the birthplace of Solidarity, you will meet with Lech Walesa who is at once charismatic and pragmatic. Walesa is by far the most popular political figure in Poland. He is reluctant to play an overtly political role but his clout is badly needed if Poland is to begin the difficult and unpopular economic reforms ahead. Your private luncheon with him may provide an opportunity to discuss how he sees his role in the difficult years ahead.

As you heard from the Polish-Americans in the Roosevelt Room, the regime and Solidarity are united by one overarching preoccupation --economic assistance--and will press you, publicly and privately, to extend further financial assistance and to plead Poland's case for lenient terms with the IMF, the World Bank and the Paris Club. You may also find officials anxious to discuss your CFE proposal. The Poles see CFE as a mechanism to reduce their military burden while remaining in the Warsaw Pact.

The message that you bring to the Poles will be watched throughout Eastern Europe, particularly in Hungary. But even Czechoslovakia, the GDR and Bulgaria, which have resisted reform, are aware that you have succeeded in forging a common strategy for the West that links economic assistance to fundamental economic and political reform. The promise of Western help is not enough now to stir these recalcitrant regimes but it is most certainly a factor in their calculations of their political and economic future. The division of Europe began with the failure to hold free elections in Poland. More than forty years later the promise of overcoming that division rests heavily with the first signs of democracy's return to Poland. As Walter Cronkite used to say, you are there.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5144

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526

2011-0162-MR
SS 10/19/12

INFORMATION

June 29, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 
SUBJECT: Scope Paper -- Your Visit to Hungary

Setting: Until recently, reform in Hungary had taken place gradually, over almost over two decades. For several years, the populations of Eastern Europe looked to the Hungarians as a model of an evolution toward a more humane and economically viable form of socialism. But as the economic "miracle" has receded, replaced by stagnation, shortages and a dramatic decline in the standard of living, the population has become restless and pressure has grown for more fundamental economic and political reforms.

The leadership of the Hungarian Socialist Workers' Party (HSWP), with whom you will meet, recognized the need for change belatedly. The Party is now badly split over the pace and scope of reform. There has been open feuding over fundamental problems like the role of a Communist party in a multiparty system. The Party reformers argue that the HSWP has no hope except to adopt a program popular enough to win in a free and unfettered election. Given the need for unpopular economic reforms, that program remains elusive. The purpose of the recent rehabilitation of the heroes of 1956 was to try to remove the main stigma that the Party carries -- collaboration with the Soviets at the time of the revolution.

The recent leadership changes downgraded the role of the timid Karoly Grosz and strengthened the hand of the reformers Nyers and Posgay. But these two represent different wings of the reformist faction of the party, with Posgay the more radical of the two. These uncertainties and the lack of a unified opposition give Hungarian politics a somewhat chaotic character at this time.

Tenor and Objectives: The Hungarians are thrilled to host the American President for the first time. They are desperate for economic help but still proud of their economic achievements under an admittedly failed system. Your public statements will appeal to Hungarians to realize their full potential, the potential that made Budapest one of Europe's most advanced cultural and economic centers at the turn of the century. You will have an opportunity to stress the benefits of free enterprise when you speak at Karl Marx University.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

~~CONFIDENTIAL~~

Meetings with Hungarian and American students and with leaders of the fledgling opposition parties will provide other chances to reiterate the theme that political and economic freedom are inextricably linked.

Hungarian officials are likely to press you for further economic assistance. As in Poland, you will want to deliver a message that the responsibility for economic progress in Hungary lies principally with the Hungarians but that the West is willing to help. Several of your initiatives, like Peace Corps teachers of English will be very popular with the Hungarian people and because environmental concerns are gaining salience, the Hungarian leadership looks to tap the technical know-how of the industrialized West for clean-up.

Other issues may arise, particularly your CFE proposal. The Hungarians, like all East Europeans, have a stake in a reduction of tensions in Europe. As those tensions recede the Hungarians hope to reduce their commitments to the Warsaw Pact, including military spending and the visible Soviet military presence. You should not allow the shadow of the Soviet Union to hang over this trip, but the Hungarians, like the Poles, will probably be anxious in private meetings to hear your views on Gorbachev, perestroika and U.S.-Soviet relations.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~SECRET~~

~~SECRET~~

5144

THE WHITE HOUSE
WASHINGTON

DECLASSIFIED
PER E.O. 13526

2011-0162-MR
SS 10/19/12

INFORMATION

June 29, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 
SUBJECT: Scope Paper --Your Meeting with President
Mitterrand and Other Events in Paris on
July 13-14

Setting: This will be a crowning moment for Mitterrand. He is beginning the ninth year of his presidency at the head of a nation that is highly prosperous, politically stable, and remarkably influential for a nation of France's size. The Bicentennial celebrations in which you will be participating will spotlight one of the central elements of French prestige: the French Revolution and all that it symbolizes for freedom and human rights.

The timing could not be better in terms of the main themes of your trip to Eastern Europe, the lead-in to the Paris Summit and your stop in the Netherlands as well as a continued deepening of your personal relationship with Mitterrand. The celebration of freedom and the rights of man in Paris should amplify the message that you will carry with you through Poland and Hungary. It also provides the perfect introduction for enlisting Mitterrand's support for your Eastern Europe consortium proposal and for laying the groundwork for close cooperation with him at the Summit on other political and economic issues.

Tenor and Objectives: As host for the Economic Summit and for the French Bicentennial events preceding it, Mitterrand is the key to achieving your objectives. Although he will be your host at a series of bicentennial events on the 13th and 14th, your only opportunity for a private discussion before the Summit itself is the 30-minute bilateral scheduled for 4:00 pm on July 13. This will thus be the best occasion to advance your proposals regarding Poland and Hungary and to enlist Mitterrand's support for using "his" Summit to launch a consortium to support democracy and economic reform in Eastern Europe.

Mitterrand's letter to you commenting on his June 14-16 trip to Poland in effect invited you to assume the mantle of Western leadership in encouraging democratization there. This, and the excellent relationship you have already developed, should provide an outstanding opportunity to gain his cooperation.

~~SECRET~~

Declassify on: OADR

~~SECRET~~

~~SECRET~~

2

~~SECRET~~

Since Mitterrand takes a highly conceptual, "big-picture" approach, there should be no need to go beyond the detail provided in your letter on Poland responding to his. However, it will be critical to gain his commitment to the concept that the consortium should represent a major undertaking by the West to support democracy and economic reform in Eastern Europe, and that it should be strongly endorsed by the Paris Summit.

If Mitterrand supports these essential points, it should not be difficult for Secretary Baker to work out the details with Dumas and the other foreign ministers.

There will of course be other important issues on Mitterrand's mind and on yours. He will be preoccupied with assuring a successful Summit. The environment, macroeconomic policy coordination and international debt will be key issues on the economic agenda. Mitterrand may try to persuade you to support French Summit initiatives which we have opposed, such as a premature decision on flood-control assistance to Bangladesh, new institutions dealing with the environment or an allocation of SDRs to debt relief for developing countries. China, Cambodia, Central America, Panama, South Asia (curbing nuclear proliferation), Lebanon, the Middle East or other issues may require discussion with Mitterrand. Although time will be too short to cover most of these issues in your formal bilateral, there should be opportunities to speak with him briefly in the course of other events.

In addition to Mitterrand, you will have full bilaterals with Margaret Thatcher and with Japanese Prime Minister Uno. Here too the themes of freedom and human rights will be highly pertinent from Eastern Europe to China.

~~SECRET~~

~~SECRET~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5144

THE WHITE HOUSE

WASHINGTON

DECLASSIFIED
PER E.O. 13526

2011-0162-MR
SS 10/19/12

June 29, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM:

BRENT SCOWCROFT 

SUBJECT:

Scope Paper -- Your Visit to The Netherlands

Setting: The Dutch have left behind a turbulent period in which traditional Dutch society was jolted into the late 20th century, and in which Dutch foreign policy reflected the moralizing anti-nuclearism of the population at large. Politics in the 1980s is more practical and less ideological, with a broad consensus among the major Dutch parties on domestic and foreign policies. Although Prime Minister Lubbers will be receiving you in a caretaker capacity following his government's resignation in May, the elections scheduled for September 6 are not likely to yield major shifts in Dutch foreign or domestic policy.

Yours will be the first visit by an American President to the Netherlands. It will be an occasion not only for evoking the long history of U.S.-Dutch ties but also for reaffirming the vitality of America's roots in Europe. Your major speech in Leiden will be an opportunity for developing those themes, as well as for tying together themes you will have projected in your visits to Poland, Hungary, and the Economic Summit.

Tenor and Objectives: The Dutch see your visit as recognition of our exceptionally close bilateral ties. Although the Lubbers government deserves special recognition for its efforts to mediate the SNF dispute, it will be important during this period between governments to focus on the broader ties that bind our countries. In addition to your meetings with Queen Beatrix and Prime Minister Lubbers, you will be meeting with leaders of all the major parties and will have a brief separate session with Labor Party leader Wim Kok, who could succeed Lubbers as Prime Minister.

The Dutch will want to pursue the issues discussed at the Economic Summit. They are champions of an open market and free trade, and exert a strong and positive influence in European Community deliberations on the 1992 program. Prime Minister Lubbers will be able to give you a thoughtful appraisal of the EC meeting in Madrid. He and others will also be receptive to your proposals for developing a coordinated Western approach to assist the process of economic and political liberalization in Eastern Europe.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

They will be particularly interested in your environmental initiatives. The major domestic issue in the Netherlands, and the immediate cause of the fall of the Lubbers government, is funding for a major environmental program. This is a massive project, on a scale comparable to earlier efforts at reclaiming land from the sea, and it reflects both the severity of the environmental problem and the priority the Dutch attach to solving it. The Dutch would welcome a statement from you recognizing that they are setting an example, even for the United States.

You will also want to follow up on the NATO Summit initiatives, particularly to enlist strong Dutch support for pushing forward the CFE initiative in Vienna. It will be equally important to engage Dutch opposition leaders, particularly Kok, on NATO's agenda and the need for close unity at a time of major change in East-West relations. Dutch views on German security policy will also be worth hearing.

Owing to their colonial past and broad commercial interests, the Dutch retain a broad foreign policy orientation and will want to discuss a range of regional issues. The Queen and Foreign Minister van den Broek cancelled visits to China in May and will be particularly interested in discussing how the West should respond to the hardening of the Chinese internal scene.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

UNCLASSIFIED
WITH SECRET ATTACHMENT

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5000

CHRON FILE

June 28, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT
THROUGH: DEANE E. HOFFMANN/ROBERT D. BLACKWILL
FROM: ERIC MELBY/ADRIAN BASORA
SUBJECT: Paris Economic Summit

Natl Sec Advisor
has seen

Attached at Tab I is a memorandum from you to the President outlining broad U.S. objectives at the Paris Economic Summit. Your memorandum covers a more detailed one from Secretaries Baker and Brady (Tab II).

Concurrences by: Karl Jackson, Richard Haass, Everett Briggs and David Miller

RECOMMENDATION

That you sign the memorandum to the President at Tab I for inclusion in the President's Economic Summit briefing book.

Attachments

Tab I Memo to President
Tab II Copy of Baker/Brady Memo

UNCLASSIFIED
WITH SECRET ATTACHMENT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5000

THE WHITE HOUSE
WASHINGTON

INFORMATION

June 29, 1989

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT 
SUBJECT: The Paris Economic Summit

DECLASSIFIED
PER E.O. 13526

2009-0994-MR
1/6/2014 MM

The Paris Economic Summit, which takes place amidst grand festivities for the French Bicentennial, will be your first multilateral economic meeting as President. Although President Mitterrand will be host, attention will naturally gravitate towards you. Other Summit participants will look to you to provide leadership for the Western alliance on international economic issues, just as you did at NATO on political/military issues.

While the media will attempt to measure the Summit in black and white terms, you should not be guided by the "success or failure" criteria. If the issues at the Summit were amenable to an easy solution, they would not be on the agenda.

The Economic Summit, first convened by Giscard d'Estaing in 1975 at Rambouillet, France, has gradually evolved from a discussion devoted to economic issues to one in which political issues share prominence. The plenary sessions are devoted to economic issues, with political discussions taking place over meals.

French Foreign Minister Dumas will issue, on behalf of the Summit Seven, a political statement on July 15 which will sum up the political discussion you will have had with the other Heads the previous evening. The economic communique will be issued by President Mitterrand, again on behalf of the Summit Seven, on July 16 at the end of the two and one half day meeting.

Summit participants have periodically questioned the value of the Economic Summit, particularly as there sometimes is greater enthusiasm for writing the communique than implementing it. The preparatory process has become cumbersome and overly formalized. In inviting Summit Heads to meet in the U.S. next year, you may wish to indicate you will be contacting them in early fall with your thoughts on the Summit process, as well as a date and venue.

While the Summit does not attempt, nor should it so aspire, to be a governing council of the Western alliance, it serves a useful function of setting broad economic and political objectives which guide the activities of the Summit countries as well as international economic institutions such as the World Bank, IMF

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

and OECD. Summit Heads can also be decisive in resolving issues which have been carried to the limit by their Ministers.

As Secretary Brady mentioned in the economic briefing June 26, our key economic objectives at Paris will be to give a boost to the economic coordination process which has lagged of late, as well as to obtain an unequivocal endorsement of the strengthened debt strategy. We also need to get a strong endorsement for completing the Uruguay Round on time by the end of next year.

The environment is likely to attract a lot of attention; indeed, public expectations may have outpaced the possibility of agreeing on reasonable new efforts. Unlike other Summit countries which have just jumped on the environment bandwagon, the U.S. has a solid record in protecting the environment, spending over \$80 billion a year in public and private funds. President Mitterrand, whose country has a poor record on protecting the environment, will attempt to steal the spotlight by proposing measures such as a new international institution. Your proposals on the environment, covering global warming, deforestation, pollution prevention, and oil spill prevention and clean-up should carry the day because they make sense and support existing institutions.

President Mitterrand will try to get a Summit commitment to an expensive program to alleviate annual flooding in Bangladesh. This would not be a Summit issue were it not for Jacques Attali's insistence that France, as host, has a right to place "its" issue on the agenda. You and your colleagues should circumvent Attali by requesting the World Bank to convene a meeting of experts to consider various approaches to the problem.

The economic issues are discussed in more detail in the joint memorandum from Secretaries Baker and Brady.

Eastern Europe, China, and Cambodia, along with terrorism, narcotics and chemical weapons are likely to be the main political themes. You will have just arrived from Poland and Hungary. Mitterrand, your Summit host, has just been to Warsaw and has written urging that you exercise leadership on Poland. Kohl, Thatcher, Delors and others present will also have a strong interest in encouraging reform in Eastern Europe.

All Summit participants will readily agree that despite the remarkable movement towards democracy in the two leading reform countries, Poland and Hungary, what has been achieved is extremely fragile. And all will agree that the massive indebtedness and need for major structural reform of the two economies enormously complicates the task of consolidating democracy. The main task, therefore, is through your leadership to shape a consensus as to how the Summit Seven should confront this daunting challenge -- which may represent an historic opportunity to change the face of Europe.

~~CONFIDENTIAL~~

The ideal outcome in Paris would be the launching of an international consortium to support democracy and economic reform in Eastern Europe, with the strong public backing of the Summit Seven. The consortium would serve as a coordinating body to ensure maximum effect for Western support to the reform process. It would also be a visible symbol of that support, a symbol whose impact would be greatly enhanced by a strong Summit endorsement of the idea.

As to the other political issues on the Summit agenda, on terrorism our goals are a reaffirmation of our strong commitment to combat international terrorism, support for the aviation security work of the International Civil Aviation Organization (ICAO), and specific language in the communique supporting the extradition of terrorists.

Your personal leadership on policy toward China will be a substantial component of the dialogue on political issues. The key will be to find common language -- including with the reluctant Japanese -- to encourage continued reform and the opening to the outside world while condemning the brutality and repression in China.

On Cambodia, the goal is to promote a comprehensive settlement, one which will allow Cambodians to determine their own fate, free from either Vietnamese occupation or Khmer Rouge terror.

On narcotics, our objectives are to urge the rapid ratification of the recent U.N. Convention Against Illicit Traffic in Narcotics, Drugs and Psychotropic Substances (the Vienna Convention), and to reinforce it with strong national laws and international cooperation, particularly on money laundering.

Regarding chemical warfare, we wish to reassure Summit participants of our continued dedication to the objectives of an effectively verifiable global ban on chemical weapons, including urgent attention to the problem of CW proliferation.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05b. Memo	James A. Baker, III and Nicholas F. Brady to POTUS Re: The Paris Economic Summit (6 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Date Closed:	3/18/2009	OA/ID Number:	91124-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 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. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (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

~~SECRET~~

DECLASSIFIED
PER E.O. 13526

2009-0994-MR
1/6/2014 MM

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

5113

CHRON FILE

June 29, 1989



1 PRESIDENT HAS SEEN

6/30/89

MEETING WITH
THE WHITE HOUSE SUMMIT GROUP

DATE: June 30, 1989
LOCATION: Cabinet Room
TIME: 11:00 a.m.-11:45 a.m.
FROM: BRENT SCOWCROFT

I. PURPOSE

To brief you on your trip to Poland, Hungary and the Netherlands, our major initiatives for the trip and on other political issues that are likely to arise at the Economic Summit, July 14-16.

II. BACKGROUND

The political situation in both Poland and Hungary is delicate and given the uncertainties in those countries, your visit is an exceedingly important gesture of U.S. support for the infant democratic process. You will be the first American President to visit Hungary and are fondly remembered in both nations for your 1983 visit to Hungary and your 1987 visit to Poland.

In Poland, the regime and Solidarity are trying to implement the Roundtable accords, but the overwhelming size of Solidarity's electoral victory actually threatens to unravel the agreement. While Solidarity won 99 of 100 Senate seats and the full allotment of 35% of the seats in the lower house, Communist Party candidates were rejected; most were unable to garner the required 50% of votes cast even though running unopposed.

Further, Jaruzelski may not receive enough votes when the Parliament meets to assume the Presidency, a post "reserved" for him with the tacit agreement of Solidarity. Much rests on the resolution of this issue because a strong Presidency, with control of security forces, the military and foreign policy, is likely the regime's, and perhaps Moscow's, minimal condition for implementing the Roundtable agreement.

Though fully aware of the danger, Solidarity has refused to join a coalition government and resists assuming direct responsibility for addressing Poland's economic crisis. The country faces a political vacuum with Solidarity legitimate but not in power, and the regime in power but not legitimate. At the same time, the economic situation continues to deteriorate with stagnant growth, skyrocketing inflation, a staggering foreign debt (\$40 billion), and huge government deficit. Economic restructuring is long overdue

~~SECRET~~

Declassify: on OADR

cc: Vice President
Chief of Staff

~~SECRET~~

~~SECRET~~

2

~~SECRET~~

and Poland cannot expect new loans and credits, at least on the scale needed, until Western governments are satisfied that fundamental economic reform is underway. All parties fear social unrest and instability in the wake of economic reform and austerity.

Hungary's political reform process, though different, is no less fundamental. Responding belatedly to pressure from Hungarian society and anticipating multiparty elections next year, the Communist Party, though badly divided, is moving rapidly to regain the reform initiative.

The recent leadership changes in Hungary strengthened the hand of the reformers at the expense of conservatives. But major differences among the reformers make it difficult for the regime to put forward a coherent program of reform.

As in Poland, economic restructuring is at once vital and politically difficult. Hungary's economic situation is better but with a per capita debt that exceeds even Poland's, Hungary will reach a point in the early 1990s where it can no longer meet its payment schedule. The Hungarians are hoping to increase growth and attract foreign investment rapidly enough to bring about a dramatic improvement in the balance of payments to forestall rescheduling.

The Soviet response to all of this has been unusually muted. Moscow may not yet know the limits of its own tolerance. Gorbachev and some of his team have a good deal in common with the Polish and Hungarian reformers and can hardly rebuke them for taking steps that he himself has encouraged. Moscow appears to understand that the East Europeans must accommodate political opposition in some form if they are to undertake economic reforms. In a word, Gorbachev may see his own reflection in Jaruzelski and in the Hungarian leadership, but the repudiation of the Communist Party in Poland has unsettled many in the Soviet Union's party apparatus.

If political reform in Eastern Europe takes place in an evolutionary and orderly fashion, with the communist parties at least nominally in control, the Soviets can keep their alliance intact and preserve their own security interests. Continued membership in the Warsaw Pact is probably a minimal condition for Moscow's tolerance of the reforms. The Soviets may hope that the CFE process, unilateral reduction in the Soviet military presence and military cuts of the kind that the Hungarians announced recently, will allow the East Europeans to present Warsaw Pact membership to their publics in a different light -- less costly and politically tolerable. The

~~SECRET~~

~~SECRET~~

~~SECRET~~

3

~~SECRET~~

danger is that events will get out of hand, forcing a Soviet confrontation with one or more East European states on the issue of Warsaw Pact membership or the dominance of the Communist Party.

Our response. Starting with your April 17 speech in Hamtramck, we laid out an approach to help with the process of economic and political reform in Eastern Europe. That initial step placed us in the forefront of the West, declaring that industrial democracies must engage in the process of change in Eastern Europe and should not observe from the sidelines. The responses of the allies have varied, from Bonn's uncompleted negotiations to swap a \$1 billion dollar German debt for local currency (in effect forgiving the debt) to indifference from the Japanese. But all of the allies look to the United States for leadership and have, at least rhetorically, enthusiastically supported your policy enunciated in April.

We have begun implementing the measures that you announced at Hamtramck to improve the economic and investment climate in these countries. Nonetheless, you will be expected to do more when you go to Hungary and Poland. We are developing five major initiatives for your review that could be announced in speeches during the trip. A personal letter to your counterparts informing them of these measures and asking that they offer similar support will keep the U.S. in the forefront on this issue.

- (1) The formation of an International Consortium for Democracy in Eastern Europe. The Consortium would consist, initially at least, of the Economic Summit Seven and would be a coordinating body which would develop strategies to help the Poles and Hungarians through the difficult process of economic restructuring and political pluralism. This would demonstrate the West's engagement in and support of reform in Eastern Europe.
- (2) Rescheduling the Polish Debt. You would recommend that discussions begin immediately in the Paris Club on rescheduling Poland's debt even before the Poles negotiate a stand-by arrangement with the IMF.
- (3) Enterprise Grants. You would announce grants totalling \$125 million for Poland and Hungary for capitalization of the private sector. The grants would be dispensed and monitored by a distinguished American Board of Directors.

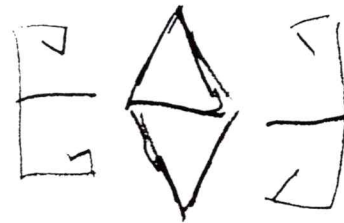
~~SECRET~~

~~SECRET~~

~~SECRET~~

4

~~SECRET~~



- (4) World Bank. You would announce U.S. support for immediate approval of project loans for Poland judged economically viable by the Bank management for Poland totalling \$325 million before an IMF stand-by arrangement is negotiated. *indicates*
- (5) White House Meeting. Before your trip, you will host a select, high-profile conference, inviting several dozen American corporate CEOs, university presidents, labor leaders and foundation heads who would help you demonstrate the commitment of the private sector to democracy in Poland and Hungary. *as a result of this*

Political Issues at the Economic Summit

Much of the discussion of political issues at Economic Summits is done informally, primarily over meals. Since you will have just completed your visits to Poland and Hungary, Eastern Europe is a natural theme for the discussions at the opening dinner on the evening of July 14. Throughout the Summit, our allies should be encouraged to join in a serious and coordinated effort to assist political and economic reform in Eastern Europe. Mitterrand's recent trip to Poland, Thatcher's hosting of Jaruzelski a week earlier, and Kohl's projected visit sometime after Paris should ensure that these three share your interest in having this Summit produce concrete results on Eastern Europe. Delors is also anxious to have the EC assist the reform process in Poland and Hungary, and elsewhere in Eastern Europe as opportunities arise.

An Eastern European initiative at the Summit could unify, rather than divide, the Summit partners and follows naturally on the prominence you gave the issue during your last trip to Europe. President Mitterrand's desire to have this Summit highlight human rights and other Western values on the 200th anniversary of the French Revolution and the Declaration of the Rights of Man, fits well with the process of reform in Poland and Hungary.

The Economic Summit offers the ideal occasion to get the endorsement of the Seven for the kind of consortium outlined above to support democracy and economic reform in Poland and Hungary. You may have to persuade Mitterrand, and perhaps Kohl and Thatcher, that the Summit is the proper place to launch the Consortium.

~~SECRET~~

~~SECRET~~

~~SECRET~~

5

~~SECRET~~

There are other political issues on the agenda in Paris: Terrorism, narcotics, and chemical weapons proliferation, though Eastern Europe could easily take up most of the time discretionary time available. The narcotics trade problem will be discussed at our final pre-trip meeting next week. Our key objectives on terrorism are a reaffirmation of our strong commitment to combat international terrorism, support for the aviation security work of the International Civil Aviation Organization (ICAO), and specific language in the communique supporting the extradition of terrorists.

Regarding chemical warfare, we wish to reassure Summit participants of our continued dedication to the objectives of an effective and verifiable global ban on chemical weapons, including urgent attention to the problem of CW proliferation.

The Netherlands. Your visit to the Netherlands will serve to sum up not only this trip but the NATO Summit trip as well. It will provide an occasion to reaffirm the vitality of America's links to Europe in a country with which we have had the longest continuous relationship (unbroken since 1782). More than almost any other country, the Netherlands embodies the indivisibility of political, religious, and economic freedoms -- themes that will run through your visits to Warsaw, Gdansk, Budapest and Paris, just as in your Mainz speech. Your speech in Leiden during this, the first visit to the Netherlands by an American President, will allow you to recall America's roots in Europe while looking ahead to a new Europe, whole and free.

Prime Minister Lubbers, as you know, is acting in a caretaker capacity following the resignation of his government on May 2. Elections are scheduled for September 6 and there is an even chance that Lubbers will be succeeded by Labor Party leader Wim Kok, with whom you will also meet. The political situation should not interfere with your visit and there are no divisive bilateral issues to complicate your meetings with Lubbers, Kok, and other party leaders. Queen Beatrix, who will host your visit, in any case provides continuity in The Hague.

III. Participants

See List at Tab C.

~~SECRET~~

~~SECRET~~

~~SECRET~~

~~SECRET~~

6

IV. Press Plan

White House Photographer

V. Sequence

Following your welcoming remarks, in my absence, Bob Gates will introduce the topics and Secretary Baker will present the briefing.

Attachments

Tab A	Agenda
Tab B	Points To Be Made
Tab C	Participants List

~~SECRET~~

~~SECRET~~

Agenda

- I. Introduction..... Robert Gates
- II. Political Issues for the President's..... Secretary Baker
Trip to Poland, Hungary, The Netherlands
and the Economic Summit
- III. Discussion..... All Participants
- IV. Summary..... Governor Sununu
- V. Concluding Remarks..... Robert Gates

~~SECRET~~

~~SECRET~~

POINTS TO BE MADE FOR MEETING WITH
THE WHITE HOUSE SUMMIT GROUP

- I am excited at the prospect of this trip that will affirm some of our most basic beliefs; the rights of the individual and the link between economic prosperity and political freedom.
- This is also another opportunity to promote the unity of the Western alliance as we did last month at NATO. I'm hoping that we can think about a coordinated approach to Eastern Europe and work together to meet new challenges like the environment and the scourge of narcotics and terrorism.
- Bob.....

DECLASSIFIED
PER E.O. 13526
2011-1647-MR
3 10/17/13

~~SECRET~~

Declassify on: OADR

~~SECRET~~

PARTICIPANTS

The President
The Vice President
James A. Baker, Secretary of State
Nicholas F. Brady, Secretary of the Treasury
Richard B. Cheney, Secretary of Defense
Richard G. Darman, Director, Office of Management and Budget
John H. Sununu, Chief of Staff
James Cicconi, Assistant to the President and Deputy to the Chief
of Staff
Roger S. Porter, Assistant to the President for Economic and
Domestic Policy
Marlin Fitzwater, Assistant to the President and Press Secretary
Stephen M. Studdert, Assistant to the President for Special
Activities and Initiatives
Michael Boskin, Chairman, Council of Economic Advisors
Robert M. Kimmit, Under Secretary of State for Political Affairs
Robert Zoellick, Counselor of the Department of State
Admiral William J. Crowe, Chairman of the Joint Chiefs of Staff
Robert M. Gates, Deputy Assistant to the President for National
Security Affairs
Robert D. Blackwill, Senior Director for European and Soviet
Affairs, NSC Staff
David C. Miller, Senior Director for International Affairs and
Senior Director for Africa, NSC Staff
Condoleezza Rice, Director for European and Soviet Affairs, NSC
Staff
Eric Melby, Director for International Economic Affairs, NSC
Staff

~~SECRET~~

5113

SECRET

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

June 28, 1989



ACTION

DECLASSIFIED
PER E.O. 13526

2011-1647-MR

32 10/17/13

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL NB

FROM: CONDOLEEZZA RICE CR

SUBJECT: Meeting to Brief the President on His Trip to Poland, Hungary and The Netherlands and Political Issues at the Economic Summit.

The White House Summit Group will meet to brief the President on his trip to Europe and on political issues at the Economic Summit. We recommend that Secretary Baker take the lead in briefing the President but would hope that he devotes the bulk of the time to Poland, Hungary and the President's initiatives. The major political issue at the Economic Summit is likely to be Eastern Europe in any case and there are no contentious bilateral issues in The Netherlands. The President's memorandum at Tab I provides background on the issues that will be briefed in this meeting.

The Political Situation in Poland and Hungary

The central dilemma has not changed since Hamtramck: fundamental economic reform is at once essential and politically untenable. What has changed are the stakes. Solidarity is now an elected but reluctant political force in the country. Solidarity refuses to join the government, not wanting to be too closely associated with the regime or with Poland's woeful economic position. After being repudiated at the polls, the regime is in a very weak position. There is a growing political vacuum with Solidarity legitimate but not in power, and the regime in power but not legitimate. Meanwhile the economic situation continues to deteriorate and fundamental restructuring of the economy is long overdue. But in the delicate political situation, all are fearful of major social unrest in the wake of economic reform.

Hungary's reform is different but also fundamental. The Hungarians have begun negotiations between the opposition and the regime. In Hungary, the Communist Party may be betting that it can build a reformist image and actually win a contested election next year. The leadership changes last week strengthened the

SECRET

Declassify: on OADR

~~SECRET~~

~~SECRET~~

2

~~SECRET~~

hand of the reformers significantly, diminishing the power of the timid Karoly Grosz through establishment of a four man presidium to run the country.

The economic situation in Hungary is difficult, but somewhat less grave than in Poland. Hungary has managed to pay its creditors and to maintain access to new loans. It has done so by borrowing to meet payments, however, and will, at the beginning of the 1990s, face a short-fall. Economic reform has also stalled because the Hungarians have balked at implementing the second phase of their IMF program which calls for severe austerity measures. The Hungarians, like the Poles, fear social unrest when subsidies are ended and prices rise.

The President's trip thus comes at a time of excitement and promise but also at perhaps the most delicate period in Eastern Europe since the Prague Spring. His visit is widely viewed as a critical boost for the populations, the opposition and even for the regimes, who may try to use the visit to shore up their own positions. All parties in Eastern Europe are seeking legitimacy and credibility at this point and association with this visit is one source.

U.S. Response

We would also like to use this meeting to brief the President on the major initiatives for the trip and to get his final agreement on them:

- (1) The formation of an International Consortium for Democracy in Eastern Europe. The Consortium would consist, initially at least, of the Summit Seven and would be a coordinating body which would develop strategies to help the Poles and Hungarians through the difficult process of economic restructuring and political reform. The group could coordinate aid and technical assistance. This would demonstrate the West's engagement in and support of reform in Eastern Europe.
- (2) Rescheduling the Polish Debt. The President would recommend that discussions begin immediately in the Paris Club on rescheduling Poland's debt.
- (3) Enterprise Grants. The President would announce grants totalling \$125 million for Poland and Hungary for capitalization of the private sector. The grants would be dispensed and monitored by a distinguished American Board of Directors.

~~SECRET~~

~~SECRET~~

~~SECRET~~

3

SECRET

- (4) World Bank. The President would announce U.S. support for immediate approval of economically viable project loans for Poland before an IMF stand-by arrangement is negotiated.
- (5) White House Meeting. Before the President's trip, he will host a select, high-profile conference, inviting several dozen American corporate CEOs, university presidents, labor leaders and foundation heads who will help him to demonstrate the commitment of the private sector to democracy in Poland and Hungary.
- (6) We believe the President should invite Jaruzelski for an official visit to Washington in the first half of 1990 but have not included this idea in the memorandum to the President.

Political Issues at the Economic Summit. Eastern Europe should be the main political topic of the Economic Summit. The objective is to enlist the cooperation of our Summit partners in a serious and coordinated effort to encourage and assist the political and economic reform process in Eastern Europe, starting with Poland and Hungary.

The President will need to take the lead in convincing the Summit Seven to issue a declaration of support for the Consortium. But given Thatcher's recent discussions with Jaruzelski, Mitterrand's just concluded visit to Poland and Kohl's impending trip, there is considerable support for an active East European policy. A major political effort on Eastern Europe at the Economic Summit is a natural follow-on to the President's emphasis on the region during his trip to Europe last month.

There are other political issues on the agenda in Paris: terrorism, narcotics, and chemical weapons proliferation, though Eastern Europe could easily take up most of the discretionary time available. The narcotics trade problem will be discussed at a subsequent meeting. Our key objectives on terrorism are a reaffirmation of our strong commitment to combat international terrorism, support for the aviation security work of the International Civil Aviation Organization (ICAO), and specific language in the communique supporting the extradition of terrorists.

Regarding chemical warfare, we wish to reassure Summit participants of our continued dedication to the objectives of an effective and verifiable global ban on chemical weapons, including urgent attention to the problem of CW proliferation.

SECRET

~~SECRET~~

~~SECRET~~

4

~~SECRET~~

FK in DRAFT

DM in DRAFT

TD

AB

Arnie Kanter, David Miller, Tim Deal, Adrian Basora concur.

RECOMMENDATION

That you sign the memorandum to the President providing background information for his June 30 briefing.

Attachments

Tab I Brent Scowcrofts Talking Points

Tab II The President's Meeting Memo

 Tab A Agenda

 Tab B Points to be Made

 Tab C Participants List

~~SECRET~~

~~SECRET~~

~~SECRET~~

~~SECRET~~

DECLASSIFIED
PER E.O. 13526
2011-1647-MR
JL 10/17/13

POINTS TO BE MADE FOR MEETING WITH
THE WHITE HOUSE SUMMIT GROUP
FOR BRENT SCOWCROFT

- The President is traveling to Europe at an exciting time but one in which the political situation in Eastern Europe is very delicate.
- I think that throughout the trip to Hungary and Poland we want to strike the right tone -- to be uplifting and inspiring without inciting.
- I'm a little worried about the high expectations that the Poles and the Hungarians have. These are desperate regimes and, to a certain extent, populations, and they are looking to us for more than we can deliver.
- The Economic Summit will give us the first chance to discuss Eastern Europe with our Summit partners. I think that Eastern Europe should be a major theme for the Summit. It is an issue that unites rather than divides the West.
- In addition to the macro-economic topics we discussed on Monday, there is other business to do there too, on the environment, narcotics trade, terrorism and chemical weapons.

~~SECRET~~

Declassify on: OADR

~~SECRET~~

~~SECRET~~

~~SECRET~~

2

-- Ending the trip in The Netherlands allows the President to reiterate the theme of the rights of the individual and the inextricable link between political and economic progress.

~~SECRET~~

~~SECRET~~

~~SECRET~~

Natl Sec Advisor
has seen

~~SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

5264

July 3, 1989

INFORMATION (Action Item at Tab I)

CHRON FILE

MEMORANDUM FOR BRENT SCOWCROFT

FROM: ROBERT D. BLACKWILL *RB*

SUBJECT: Presidential Initiatives for Poland and Hungary

As Bob Gates perhaps told you, last Friday's meeting with the President on his visits to Eastern Europe broke down whenever the question of spending USG dollars came up. Expectations in Warsaw and Budapest were ignored and strategic considerations did not come up. Harry Truman, who was in office when disputes in Eastern Europe began the Cold War, would have been appalled by the comments of everyone except the President and Bob Gates. (Nick Brady compared Poland to Argentina.)

Bob has been talking to the President about this subject in Kennebunkport. To help you with your reflections, I attach a Presidential decision memorandum at Tab I concerning initiatives for Eastern Europe and letters to the President's Summit Seven counterparts on the same subject at Tab II. (The letters would have to be changed if the President decides not to go ahead with the Enterprise Grants and World Bank loans and could be altered as a result of Bob's conversations with the President.)

You have seen Teltschik's equivocating response (Tab III) on World Bank loans for Poland. In my view, his reply reflects the FRG's wish to keep open the World Bank loan issue until the Poles have agreed to Bonn's desiderata with respect to the treatment of ethnic Germans in Poland. When Kohl gets what he wants from the Poles on this matter, he will agree to the World Bank loans in a flash and then take credit for it in Warsaw and the West.

I will be at home most of July 4th if you have any questions on this package and in any event you, Bob Gates, Condi and I should get together Wednesday morning to discuss next steps.

Attachments

Tab I	Decision Memorandum
Tab II	Summit Seven Letters
Tab III	Teltschik Response

DECLASSIFIED
PER E.O. 13526

2009-0997-MR

SCS 6/3/13

~~SECRET~~

Declassify: on OADR

~~SECRET~~

~~SECRET~~

~~SECRET~~

5113 Add On

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 3, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*
FROM: ADRIAN BASORA *AB*
SUBJECT: Presidential Decisions for his Trip to Poland and Hungary

Two initiatives that are critical to the success of the President's trip were dealt with negatively, though inconclusively, at the June 30 White House Summit Group Meeting: the \$125 million in "Enterprise Grants" and \$325 million in World Bank loans. The other two initiatives received unanimous support. All four require final decisions by the President.

In our judgement, if most of the \$125 million is in the form of loans rather than grants as Dick Darman prefers and not available until FY-91, this initiative will lose all of its intended political impact. Instead, disbursement of the money as grants should begin quickly, as a first step in helping Poland pull out of its economic morass. Offering \$1 million in FY-90 as was suggested at Friday's meeting with the President, with all the rest deferred until FY-91, is derisory in political terms and questionable in economic terms, since FY-90 is the critical period if Poland is to make a prompt start in facing the painful economic reforms it must undertake.

As to World Bank lending, we understand Secretary Brady's concerns, but nevertheless disagree with his conclusion. Normally, the Bank does not lend to a country in default unless it reaches a Standby agreement with the IMF. There is every sign that Poland intends to negotiate such a Standby, although it may take a few months. The political case for having the World Bank anticipate the Standby and start disbursement now is obvious. In any case, disbursements could be curtailed if the Poles should fail to undertake the necessary macroeconomic reforms. You have sent privacy channel messages to Attali, Powell and Teltschik to determine whether their governments would be supportive of lending in advance of an IMF program. If they are not opposed, then we should move ahead promptly.

DECLASSIFIED
PER E.O. 13526
2009-0997-MR
SCS 6/3/13

~~SECRET~~

Declassify on: OADR

~~SECRET~~

~~SECRET~~

2

~~SECRET~~

Solidarity has called for a \$10 billion program of combined assistance and debt relief over the next three years. For the US President to arrive in Warsaw without something on the scale of the \$100 million Enterprise Grants and the \$325 million in World Bank lending would produce an anti-climax in Poland. Furthermore, it would undercut the President's credibility at the Paris Summit when he proposes a consortium to support reform in Poland and Hungary.

We have drafted a decision memorandum for the President laying out the four issues for decision.

TP
Tim Deal concurs.

RECOMMENDATION

That you sign the attached memo to the President.

Attachment

Tab I Memorandum to the President

~~SECRET~~

~~SECRET~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07c. Memo	Brent Scowcroft to POTUS Re: Decisions Needed for Your Trip to Poland and Hungary (2 pp.)	n.d.	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: USSR Chronological Files
Subseries: Soviet Power Collapse in Eastern Europe Files
WHORM Cat.:
File Location: Soviet Power Collapse in Eastern Europe (June - July 1989)

Date Closed:	3/18/2009	OA/ID Number:	91124-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 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. Removed as a personal record misfile.

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

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
(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

**National Security Council
The White House**

PROOFED BY: _____ ✓

LOG # 5264

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG ✓ A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	<u>1</u>	<u>W</u>	<u>I</u>
Philip Hughes	<u>2</u>	<u>W</u>	
Bob Gates	<u>3</u>	<u>✓</u>	<u>✓</u>
Brent Scowcroft	<u>4</u>	<u>✓</u>	<u>✓</u>
Philip Hughes			
Situation Room			
West Wing Desk	<u>5</u>		<u>N</u>
NSC Secretariat	<u>6</u>		<u>N</u>

A 7: 29
JUL 5
89

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

Reviewed 5 July 1989

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5283

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 5, 1989

4
CHRON FILE

ACTION

Deputy Natl Sec Advisor
has seen

MEMORANDUM FOR ROBERT M. GATES

THROUGH: ROBERT D. BLACKWILL *RB*

FROM: ROBERT L. HUTCHINGS *RLH*

SUBJECT: The President's Interview with Hungarian
Journalists

At Tab I is a memorandum from Philip Hughes to Jim Cicconi, forwarding Q's and A's for the President's interview with Hungarian journalists on Friday, July 6. These will be included in the President's briefing package being prepared by the White House Press Office.

RECOMMENDATION

That you authorize Philip Hughes to sign the memorandum to Cicconi at Tab I.

Approve _____ Disapprove _____

Attachments

Tab I Memorandum from Hughes to Cicconi
Tab A Q's and A's

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By CAP NARA, Date 4/23/12

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5283

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM FOR JAMES W. CICCONI

FROM: G. PHILIP HUGHES

SUBJECT: The President's Interview with Hungarian
Journalists

At Tab A are Q's and A's for the President's interview with Hungarian journalists on Friday, July 6. They should be included in the President's briefing package being prepared by the White House Press Office.

Attachment

Tab A Q's and A's

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By CAP NARA, Date 4/23/12

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

O'S AND A'S FOR MEETING WITH HUNGARIAN JOURNALISTS

Q: What message will you be taking to the Hungarian people?

A: -- It is a message of hope for a new beginning in Hungary, for a transition to a democratic future. I also want to signal that the U.S. is actively engaged to support political and economic liberalization.

-- We see in Hungary -- and in Poland as well -- an historic opportunity for helping end the postwar division of Europe. As I said in Mainz at the end of May, the Cold War began in Eastern Europe. It must end there.

Q: You constantly refer to Poland, Mr. President. Is it fair to say you are willing to do more for Poland than for Hungary?

A: -- It is true that my speech in Hamtramck, Michigan, in April dealt mostly with Poland. It represented my response to the historic Roundtable Agreement between the Polish Government and Solidarity. But those policies apply equally to Hungary -- and potentially to other East European countries.

-- Our policy aims to support progress toward economic and political liberalization in Eastern Europe. Hungary and Poland are leading the way. My visit to Hungary -- the first ever by an American President -- signals our recognition of the progress already made and our commitment to support further movement toward democracy.

Q: What is your assessment of the recent leadership changes in Hungary?

A: -- I would not wish to comment on internal changes in the Hungarian leadership. I know the Hungarian Party is reassessing its role in Hungarian society, and I hope and believe that this reappraisal will make way for greater democracy.

Q: Will you have an economic assistance package to offer Hungary?

A: -- We have already taken steps to accord Hungary Generalized System of Preference (GSP) trade benefits and have introduced legislation to grant Hungary Overseas Private Investment Corporation (OPIC) benefits. In recognition of Hungary's virtually open emigration policy, we also support the most favorable possible trade status for Hungary.

-- We will put Eastern Europe, especially Hungary and Poland, at the forefront of the agenda of the Paris Economic Summit. We feel there must be a coordinated

Western effort to assist Hungary's economic recovery and transition toward democracy.

- Q: Earlier this year, General Secretary Grosz expressed hope that you would use your visit to extend Hungary a long-term, low-interest loan. Do you plan to do this?
- A: -- We grant such preferential terms only to the poorest of the developing countries. Hungary does not qualify.
- Q: Why doesn't the U.S. do more?
- A: -- We are considering other bilateral measures, but we also know that outside help cannot substitute for economic reforms -- and economic sacrifices -- that Hungarians themselves must implement. What we want to do is create the conditions and the opportunities that will enable Hungary to help itself.
- U.S. investors are already showing real interest in Hungary. Today I will host a White House Symposium on Eastern Europe and will urge our leaders from all segments of the American private sector to join me in being actively engaged in Hungary. I know their response will be encouraging.
- Q: What is your view of Romania's move to set up barriers along the Hungarian border?
- A: -- It is a tragic irony that just as Austria and Hungary are taking steps to open their borders, Romania is building up its Iron Curtain with Hungary. We deplore this move and call on the Romanian Government to open its borders and also live up to its international

commitment to guarantee basic human rights to all its citizens.

Q: What is your reaction to Soviet troop withdrawals from Hungary?

A: -- I welcome those steps. Soviet forces in Hungary serve no legitimate security purpose. Their presence in Hungary and elsewhere in Eastern Europe reflects an antiquated Soviet view of security.

Q: Should all stationed US and Soviet forces be withdrawn from Europe?

A: -- Soviet forces will remain stationed in Europe whether they are stationed on foreign soil or in the western half of the Soviet Union. We would prefer that Soviet troops return home. Even if they are withdrawn, Soviet military power will remain in Europe. Therefore, we will also maintain, in cooperation with our allies, ground and air forces in Europe as long as they are wanted and needed to preserve the peace.

-- I want to see both the US and the Soviet Union reduce the numbers of troops stationed outside of national territory in Europe. At the NATO Summit I suggested, and my allied colleagues adopted, a proposal calling for lower, and equal, numbers in such stationed forces.

THE WHITE HOUSE
WASHINGTON

July 5, 1989

PRE-BRIEF FOR INTERVIEW WITH HUNGARIAN JOURNALISTS

Date: Thursday, July 6, 1989
Time: 10:00 a.m. (10 minutes)
Location: The Oval Office
From: Marlin Fitzwater 

I. PURPOSE/BACKGROUND

To brief you on anticipated questions for your interview with Hungarian print journalists.

II. PARTICIPANTS

The President
Governor Sununu
Brent Scowcroft
Marlin Fitzwater

IV. PRESS PLAN

None.

V. SEQUENCE OF EVENTS

The participants will meet with you in the Oval Office at 10:00 a.m. to discuss possible questions.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 5, 1989

CHRON FILEINFORMATIONNatl Sec Adviser
has seen

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*FROM: ROBERT L. HUTCHINGS *RZH*

SUBJECT: White House Symposium on Eastern Europe

The Symposium will be held July 6 from 3:10 - 5:55 p.m., followed by a reception hosted by the Vice President. The President will open the Symposium with brief remarks, and you are scheduled to give concluding remarks from 5:50 to 5:55 p.m.

Talking points for your concluding remarks are attached at Tab I. Before you are scheduled to speak, I will be available to give you a brief account of how the session has gone.

A draft Presidential package, prepared by Dave Demarest, is at Tab II. It includes an agenda, summary list of participants, and draft Presidential remarks.

Attachments

Tab I Points to be Made in Your Closing Remarks
Tab II Draft Briefing Package for the President

POINTS TO BE MADE FOR YOUR CLOSING REMARKS AT THE
JULY 6 EAST EUROPEAN SYMPOSIUM

- On behalf of the President, I would like to thank you all for joining us today. I hope this gathering will be a catalyst for a new era of public and private sector engagement at a time of great and encouraging change in Eastern Europe. *We need you*
- The President has expressed ^{*To you*} his personal commitment to this effort, and ^{*made clear*} ~~he has emphasized~~ how crucial it is to enlist the imagination and creativity of the American private sector.
- Let me just reiterate how vitally important Eastern Europe is to our own interests. I am referring not just to matters of national security but to the whole range of our political, economic, and cultural interests as a nation.
- Europe has been so long divided that we may tend to think of this division as the natural and inevitable state of affairs. We need to take a leap of imagination: to envision how things might be, to consider what America's role in the world could be, if Europe were no longer divided.
 - o Ending the division of Europe is no longer an idle hope; it can now be an active and realizable goal. It is our goal.

- o Movement in Poland and Hungary toward democracy holds out the prospect -- the real prospect -- of a peaceful process of European reconciliation, of ending the division of Europe.

- o *To you have had reiterated today*
Both countries face enormous problems, which Poles and Hungarians themselves will have to solve. But they need our ^{voice} help -- prudent help, aimed at promoting economic recovery and democratic change.

- *The*
~~Our~~ government cannot provide, and should not provide, all the help Poland and Hungary seek from the West. We need to work with our allies to develop a coordinated Western approach toward providing useful assistance. And we need to engage the American private sector, which represents the real strength of our country.

- *I hope you will now consider*
I hope this symposium has been useful, ~~in showing~~ how you might involve yourselves in Eastern Europe. On behalf of the President, I thank you for coming on such short notice, and I thank you for your interest. I hope you can also remain for a brief reception, which the Vice President has kindly offered to host.

THE WHITE HOUSE
WASHINGTON

DRAFT

REMARKS TO WHITE HOUSE SYMPOSIUM ON EASTERN EUROPE

DATE: Thursday, July 6, 1989
TIME: 3:15 PM
LOCATION: Room 450 OEOB

THROUGH: DAVID DEMAREST
ASSISTANT TO THE PRESIDENT
FOR COMMUNICATIONS

FROM: BOBBIE KILBERG
DEPUTY ASSISTANT TO THE PRESIDENT
FOR PUBLIC LIAISON

I. PURPOSE

To speak to an assembled group of leading representatives from the private sector on the growth of democracy in Eastern Europe.

II. BACKGROUND

Leaders from education, business, labor, foundations, and the Polish and Hungarian-American communities are meeting at the White House for an Administration-sponsored symposium on what the United States can do to support democracy in Poland and Hungary. You can issue a directive to the American private sector to get involved.

III. PARTICIPANTS

The President

Symposium Speakers:

Ambassador Robert Blackwill, Special Assistant to the
President for European and Soviet Affairs
Lawrence Eagleburger, ~~Deputy~~ Secretary of State
Ambassador Carla Hills, U.S. Trade Representative
Zbigniew Brzezinski
Rudolph Oswald, Director, Department of Economic
Research, AFL-CIO
Fred Zeder, President and CEO, Overseas Private
Investment Corporation
Thomas Heller, Provost, Stanford University
Beurt SerVaas, Chairman, SerVass, Inc.
David Hamburg, President, Carnegie Corporation
General Brent Scowcroft, Assistant to the President for
National Security Affairs

150 representatives from business, education, labor, foundations, and the Polish and Hungarian-American communities.

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

- The President is announced by Ambassador Robert Blackwill.
- The President makes his way to the podium and makes remarks.
- The President departs.

Remarks provided by the National Security Council.

DRAFT Agenda

THE WHITE HOUSE

WASHINGTON

Eastern Europe Symposium
July 6, 1989--Room 450 OEOB--3:10-6:30pm
Tentative Agenda

Symposium Moderated by Ambassador Robert Blackwill,
Special Assistant to the President for European
and Soviet Affairs

3:15-3:25 Remarks by the President

CONFIRMED

3:25-3:40 U.S. Policy Overview

Lawrence Eagleburger, Acting Secretary of State

10 min talk / 5 min Q+A

CONFIRMED

3:55
~~3:40-3:45~~ Trade Policy

Ambassador Carla Hills, United States Trade
Representative

CONFIRMED

3:55-4:10
~~3:45-3:55~~ The Future of Eastern Europe

Dr. Zbigniew Brzezinski, Counselor, Center for
Strategic and International Studies

10 min talk / 5 min Q+A

CONFIRMED

4:10-4:35

~~3:55-4:25~~ Panel Discussion and Question and Answer Period:

Poland: Curtis Kamman, Deputy Assistant Secretary of
State for European and Canadian Affairs

CONFIRMED

Hungary: Charles Gati, Professor of Political Science,
Union College, and Senior Research Fellow, Columbia
University's Research Institute on International
Change

CONFIRMED

5 min presentations / 15 min Q+A

BREAK (5min)

4:40-5:50

~~4:30-5:40~~ Opportunities in Poland and Hungary

Rudolph Oswald, Director, Department of Economic
Research, AFL-CIO on AFL-CIO/Solidarity link

CONFIRMED

Fred Zeder, President and Chief Executive Officer
of Overseas Private Investment Corporation

CONFIRMED

Beurt SerVass, Chairman, SerVass, Inc., on joint
venture opportunities in Eastern Europe

CONFIRMED

Tom Heller, Provost, Stanford University,
on Educational activities in Eastern Europe

CONFIRMED

David Hamburg, President, Carnegie Corp. of New York,
on Foundation activities in Eastern Europe
CONFIRMED

5:15-5:45 Question and Answer period

~~5:50-5:55~~ **5:55**

~~5:45-5:55~~ Summary by General Brent Scowcroft, Assistant to the
President for National Security Affairs

(*5 minutes*)

CONFIRMED

6:00-6:30 Reception with Vice President - 5th floor hallway
(The Vice President will be present from 6:10 to 6:30)
CONFIRMED

McGroarty/Dooley
July 1, 1989
6:00 pm
[EEBRIEF]

PRESIDENTIAL REMARKS: EASTERN EUROPE SYMPOSIUM
THE WHITE HOUSE
JULY 6, 1989
3:15 PM

I want to welcome all of you to the White House. This Sunday, as you know, I will begin a trip that will take me to Poland and Hungary. This is an extraordinary time in East Central Europe -- a time of unprecedented change and unparalleled opportunity in East-West affairs.

In Poland, we have just witnessed the first openly contested elections in the post-war era and the creation of a freely elected Senate -- in which candidates backed by Solidarnosc swept 99 out of 100 seats. Under the terms of this spring's Roundtable Agreement, these developments mark a new beginning in Poland. They hold promise for the transformation of Poland towards democracy and national self-determination.

Hungary, too, is on the path to democratic reform. The pattern is different, but the changes are just as fundamental -- just as promising. As the Communist Party itself undertakes a profound reappraisal of its role in Hungary, the outlines of a multi-party system -- genuine political pluralism -- are taking shape. The Hungarian economy -- already the most open in Eastern

Europe -- is moving toward a free market, toward rejoining the world economy.

These are historic times. What is at stake is not just movement towards economic and political liberalization in Poland and Hungary, but the prospect of ending the post-war division of Europe. Poland and Hungary are leading the way -- but they face enormous economic and political problems. They need our support if their efforts are to succeed.

Simply showing our sympathy isn't enough. We cannot solve all the problems the Poles and Hungarians face, but we must be actively engaged. We need to hold out the promise of an alternative future for Central and Eastern Europe -- a peaceful transition to a democratic future. And we need to back up that promise with practical assistance.

In just a few days, I'll be speaking to the people of Poland and Hungary about what more the United States -- and other Western governments -- can do to help. But my message to you today is this: the movement toward democracy takes more than governments alone. Democracy's great strength lies in its private institutions -- the institutions each of you represents. What you do can make the difference for democracy in Hungary and Poland.

Together, right in this room, there is a cross-section of the institutions that make democracy work -- that give meaning to the word democracy. You are freedom in action. You can help others along the path to freedom and democracy.

In just a few moments, you'll hear from members of my Administration, from some of the leading experts on Eastern Europe, on trade -- and from people already involved in private endeavors in Hungary and Poland. I think you'll find what they have to say enlightening and instructive.

But more than that -- I hope you'll find the next few hours exciting. There's a democratic evolution underway in Hungary and Poland: a deep yearning for the kinds of freedom -- economic and political, artistic and intellectual -- that we in America enjoy. It's up to all of us to see that those freedoms come to Hungary and Poland. This is an historic opportunity we cannot afford to miss. Thank you.

#

I've asked you here because all of you can ^{build avenues} ~~be bridge-~~
~~builders between East and West.~~
^{to Eastern Europe.}

I call on the American business community to encourage the movement toward the free market by working with private sector enterprises in Hungary and Poland. Private enterprise has been the engine of economic growth in America. It can be the key to prosperity in Poland and Hungary. Help it thrive.

I call on those of you in the educational community and with private foundations to expand our exchanges with Hungary and Poland. Open the lines of communication between American universities and the great centers of learning in Budapest, Warsaw and Krakow. Let's learn from each other.

I want to see workers in Hungary as well as Poland benefit from the support of American trade unions. American labor and Solidarnosc have forged a strong relationship -- a great chapter in the history of international labor. But there's more work to do -- and it may be key to the successful transformation of Poland and Hungary.

I want to ask those of you active in our cultural and artistic communities to strengthen America's links to the great artistic traditions of Hungary and Poland. Each of us can enrich the other, speak to each other -- through art, music and the written word.

CHRON FILE

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

~~CONFIDENTIAL~~

July 5, 1989

7/5/89
1000

5267

Brent --
Sorry this is so late. We
just squeezed it out of EPA.
Bob Blackwill

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT BLACKWILL *RB*

FROM: PHILIP ZELIKOW *PZ*

SUBJECT: Environmental Initiatives for the President's Trip
to Poland and Hungary

As part of the follow-up to the President's announcement in his Mainz speech last month of his initiative for assisting Eastern European countries in dealing with their critical environmental problems, we have worked with EPA and State to develop two specific American programs which the President could propose in Warsaw and Budapest. The two ideas would cost \$20 million (\$15 million for Poland and \$5 million for Hungary), which the President would have to request from Congress.

At this afternoon's meeting of the White House Summit Group, we suggest that you call upon EPA Administrator Reilly, who will be ready to elaborate upon these proposals. For Poland, the U.S. could offer to help reclaim a decaying national treasure (and potential source of significant hard currency from tourism) -- the city of Krakow. For Hungary, the U.S. could help to preserve the water quality of the Danube by deploying vital technology to help the Hungarians, for the first time, identify the principal sources of pollution running into the river, while at the same time giving the Hungarians advice on how to correct the problem. A copy of an EPA paper detailing these ideas is attached at Tab A to the memorandum to the President (Tab I).

These U.S. contributions would join with other Western efforts (the Swedes, for example, are working with the Poles on cleaning up the Vistula) and indigenous resources (for example, the Poles and Hungarians have a good pool of trained professionals and laborers) to demonstrate the significance of the initiative the President proposed in Mainz.

Jerry *gub* Leach and Eric *EM* Melby concur.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER E.O. 13526

2011-1427-MR
SCS 3/4/13

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Recommendations

That you call upon EPA Administrator Reilly at this afternoon's meeting of the White House Summit Group to discuss possible environmental initiatives for Eastern Europe.

Approve _____ Disapprove _____

That you transmit the attached memorandum to the President (Tab I) briefing him on these possible initiatives in preparation for today's meeting.

Approve _____ Disapprove _____

Attachments

Tab I Memorandum to the President
Tab A EPA paper on possible initiatives

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

5267

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: White House Summit Group Meeting, July 5:
Discussion of Possible Environmental Initiatives
for Poland and Hungary

In following up the initiative you announced in Germany for assisting Eastern European countries in dealing with their critical environmental problems, we have worked with EPA and State to develop two specific American programs which you could propose in Warsaw and Budapest. The two ideas would cost \$20 million (\$15 million for Poland and \$5 million for Hungary), which you would have to request from Congress.

At this afternoon's meeting of the White House Summit Group, I plan to call upon EPA Administrator Reilly, who will be ready to elaborate upon these proposals. For Poland, the U.S. could offer to help reclaim a decaying national treasure (and potential source of significant hard currency from tourism) -- the city of Krakow. For Hungary, the U.S. could help to preserve the water quality of the Danube by deploying vital technology to help the Hungarians, for the first time, identify the principal sources of pollution running into the river, while at the same time giving the Hungarians advice on how to correct the problem. A copy of an EPA paper detailing these ideas is attached at Tab A.

These U.S. contributions would join with other Western efforts (the Swedes, for example, are working with the Poles on cleaning up the Vistula) and indigenous resources (for example, the Poles and Hungarians have a good pool of trained professionals and laborers) to follow through on the initiative you proposed in Mainz.

Attachment

Tab A EPA Paper Describing Possible Initiatives for Poland
and Hungary

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
PER E.O. 13526

2011-1427-MR
SCS 3/4/13

~~CONFIDENTIAL~~

Message on the Environment in Poland
Proposal for a \$15 million Cooperative
American/Polish Program to Reclaim Krakow

A. Introduction

The former capital of Poland, the city of Krakow is an international treasure of great historical importance and beauty. It is also perhaps the most important symbol of Poland to Polish-Americans.

But today this City is assaulted by a combination of insidious environmental forces: acids in the air which are eroding Krakow's monuments, wastes that are fouling the Vistula and other waterways, and air pollution that is damaging the City's forest.

This proposes a cooperative American-Polish program to begin to reclaim Krakow through a series of environmental initiatives.

B. What the Program Will Do

A principal air pollution source in Krakow is combustion of coal for home heating. Poland already is considering methods to convert to gas heating in Krakow. American support for the crucial first steps in constructing a natural gas distribution system would help make this conversion feasible.

Poland has a small air monitoring system in Krakow which needs to be greatly expanded in order to identify the most significant air pollution threats from industrial sources. In particular, Krakow needs to be able to pinpoint major sources contributing to the damaging of its highly valued forest.

To move forward on cleaning up the waters of Krakow, the city desperately needs additional basic treatment of its sewage in order to protect both the Vistula River that flows through the City, as well as the Raba River which supplies drinking water to Krakow.

To the extent resources permit, this program should also identify and implement measures to mitigate widely dispersed sources of water pollution. An example is filter strips to minimize run-off of agricultural chemicals.

DECLASSIFIED
PER E.O. 13526

2011-1497-MR

SCS 3/4/13

~~CONFIDENTIAL~~

C. Management of the Program

This program should be managed jointly by the United States and Poland. Given the uncertain nature of the current Polish government, the management group should include non-government, the management group should include non-government representation (i.e., the Polish Ecology Club) as well. The USG can pursue this directly through consultation with the Polish government.

Another option would be to create a public/private foundation with a Board of Directors representative of government and non-government interests from both countries.

Budget allocations should be \$15 million dollars from the U.S., with commitment of in-kind technical and managerial human resources in Poland, to be spend during the three-year life of the program. (It is important, too, that the Polish government not simply substitute American dollars for financial commitments to the environment already made by the Polish government.)

Budget categories include:

- | | |
|--|---------------|
| 1. Initial work on coal-gas conversion | \$8.5 million |
| 2. Primary sewage treatment | \$5.0 million |
| 3. Air Pollution monitoring network | \$1.0 million |
| 4. Management/Administration | \$0.5 million |

Sequence of expenditure would be:

Year 1 -	\$500 thousand (initial planning, decisions about equipment place- ment, etc.)
Year 2 -	\$6 million (implementation)
Year 3 -	\$8.5 million (implementation)

~~CONFIDENTIAL~~

~~SECRET~~

Message on the Environment in Hungary
Proposal for a \$5 million Cooperative
American/Hungarian Program for Water
and Wetlands Protection

A. Introduction

Hungary is a major agricultural producer; contributions from agricultural as well as municipal and industrial sources threaten a major country treasure: the Danube River. Current farm and waste disposal practices are also destroying ecologically valuable marshes and wetlands.

This proposes both an extensive water monitoring program as well as a series of technical exchanges to improve environmental quality in Hungary.

B. What the Program Will Do

Hungary is cut by two major rivers: the Danube and the Tieza (in Eastern Hungary). One of the major hurdles in developing better protection of these rivers is information about the nature and source of pollutants. The proposed program would establish a series of 6-12 small (automatic) monitoring stations along the two rivers with a central lab and analysis office in Budapest. The stations would generate data about the quality of river water and entry points for local pollution.

In addition, this program would sponsor workshops and other consultations with local and federal managers on improved pollution management practices, including: integrated pest management, alternative (low chemical) farm practices, and innovative waste treatment technologies.

C. Management of the Program

This program should be managed jointly by representatives of the United States and Hungarian governments, or by a foundation established for this purpose that also includes non-governmental representatives.

Budget allocation should be \$5 million dollars from the U.S., with commitment of in-kind human or financial resources from Hungary. The funding should be for a three-year period.

DECLASSIFIED
PER E.O. 13526
2011-1427-MR
SCS 3/4/13

Budget categories include:

1. Purchase of lab monitoring buildings	\$ 1 million
2. Furnishing and equipment for lab	\$ 2 million
3. 6-12 automatic monitoring stations	\$ 600 thousand
4. Boats, motors, support cars	\$ 400 thousand
5. Management workshops on innovative technologies/improved pollution control practices	\$ 500 thousand
6. General management	\$ <u>500 thousand</u>
	\$ 5 million

Sequencing of expenditures should be:

Year 1	\$ 300 thousand (start-up, building and equipment acquisition planning)
Year 2	\$ 3.5 million (building and equipment acquisition, etc.)
Year 3	\$ 1.2 million (continued acquisitions and implementation)

~~CONFIDENTIAL~~

National Security Council
The White House

PROOFED BY:

URGENT NOT PROOFED:

BYPASSED WW DESK:

LOG # 5267

SYSTEM PRS NSC INT

DOCLOG NO

	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	<u>1</u>	<u>W</u>	<u>A</u>
Philip Hughes	<u>2</u>	<u>APB</u>	<u>OBE</u>
Bob Gates	<u>3</u>	<u>8</u>	<u>OBE</u>
Brent Scowcroft	<u>4</u>		
Philip Hughes			
Situation Room	<u>4</u>	<u>WSR 7/5</u>	<u>OBE</u>
West Wing Desk	<u>5</u>		<u>N/R</u>
NSC Secretariat			

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other

Should be seen by: (Date/Time)

COMMENTS

Initiatives
for Pines Trip to Poland
& Hungary

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 5, 1989

CHRON FILEINFORMATION

MEMORANDUM FOR BRENT SCOWCROFT

Nat'l Sec Advisor
has seenTHROUGH: TIMOTHY E. DEAL *g*FROM: ERIC MELBY *M*SUBJECT: Your Revised Talking Points for White House
Summit Group Meeting, 2 p.m., July 5

Attached are revised talking points (Tab I) for this afternoon's 2 p.m. White House Summit Group meeting. EPA Administrator Reilly is prepared to outline the contents of the Eastern European environment initiative. (At last Friday's WHSG, Secretary Baker told the President we would endeavor by today to have some substance to the environment initiative.) It consists of two parts:

- \$15 million grant to help combat air and water pollution in Krakow;
- \$5 million grant to help clean up the Danube.

I suggest Reilly speak on this issue after the discussion on how to handle the environment at the Economic Summit and before Eagleburger takes up narcotics. EPA, State and DOE are on board with this scenario.

Attachment

Tab I Revised Talking Points

TALKING POINTS

- Mr. President, today's briefing on the environment and narcotics completes the formal briefings for the Economic Summit. We will have an opportunity July 13 when you arrive in Paris to cover the draft communique and other last minute issues.
- As you know, President Mitterrand intends to highlight the environment. I suspect the other Heads will also be trying to "out green" each other.
- Today, Bill Reilly is going to tell us how you will be able to assume the leader's mantle on the environment without your colleagues minding.
- We must not forget the important role energy plays. Henson Moore will cover what the Summit could do here, particularly on energy efficiency and nuclear energy.
- Bangladesh seems to be a special concern of the French. Larry Eagleburger will suggest ways to smooth this issue over.
- When we have completed the environment and before we turn to narcotics which Larry will preview, I suggest Bill Reilly bring us up to date on the Eastern European environment initiative.

~~SECRET~~

Talking Points for
Meeting of White House Summit Group
July 5

Economic Assistance for Poland (and Hungary) and US Global Strategy

-- With respect to economic assistance for Poland, three issues remain for decision from last Friday's meeting. These are whether the \$125 million ~~in grants~~ for private enterprise initiatives should be in grants or loans; whether the U.S. should support \$325 million in new World Bank loans to Poland; and whether we should launch a new environmental initiative for Eastern Europe while you are there. These three measures do not treat Poland as just another underdeveloped debtor country. In my judgment, Poland's situation is unique.

-- The most important foreign policy interest of the United States is the prevention of major conflict in Europe between East and West. The last world war began in Poland. The Cold War that followed it began in Poland. Soviet ability to engage in any future war in Europe will depend importantly on Soviet domination of Poland. We now have an unprecedented opportunity to help bring about a democratic and potentially non-Communist transformation in this flashpoint for Europe's security.

-- These changes in Poland, and many of our hopes for a more peaceful world, rest on continued reform and political change in

~~SECRET~~

DECLASSIFIED
PER E.O. 13526

2011-1427-MR
SCS 3/4/13

~~SECRET~~

the Soviet Union. If the Polish and Hungarian experiments with more democracy and market capitalism fail, or explode into prolonged civil strife and Soviet intervention, the fate of reform in the Soviet Union itself will be jeopardized, perhaps doomed. Who knows what would happen to Mr. Gorbachev in such circumstances? In any event, possibilities for major progress in U.S.-Soviet and East-West relations during your Administration would end.

-- More than any other debtor country, with the possible exception of Mexico, the future of Poland will affect vital U.S. national interests. Unlike Mexico, Poland is now undergoing decisive and destabilizing political change that make it a test case for the future of democracy around the world, especially when contrasted with the fate of democracy in Communist China.

-- After the NATO Summit, the West is looking to you for leadership in East-West relations. This leadership is now being tested. Others cannot take our place: the Germans are dealing in a climate of understandable historical distrust and are preoccupied by the treatment of ethnic Germans in Poland; the French do not have the economic clout or commitment to private enterprise; and the British are too detached from the problem. The Poles, and the West Europeans, will be looking to you to guide the outcome at the Economic Summit.

~~SECRET~~

~~SECRET~~

-- To the extent it is within our power, it is crucial for the United States to insure that the democratic experiment in Poland succeeds. Other countries, especially in the Communist bloc, must see that the West will respond positively and meaningfully to change and seize this historic opportunity to influence the future.

~~SECRET~~

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 8905333
RECEIVED: 06 JUL 89 17

TO: GATES

GUIDON FILE

FROM: MELRY
DEAL

DOC DATE: 06 JUL 89
SOURCE REF:

KEYWORDS: POLAND

NETHERLANDS

PERSONS:

SUBJECT: YOUR QUERY ON POLAND & HAGUE PROCESS

ACTION: NOTED BY SCOWCROFT

DUE DATE: 10 JUL 89

STATUS: C

STAFF OFFICER: MELBY

LOGREF:

FILES: PA

NSCIF:

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
DEAL
MELBY

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cup NARA, Date 3/18/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTAS

CLOSED BY: NSMDC

DOC 1 OF 1

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
ACTION DATA SUMMARY REPORT

RECORD ID: 8905333

DOC ACTION OFFICER

001 GALES
001

CAO ASSIGNED ACTION REQUIRED

Z 89070619 FOR INFORMATION
X 89082411 NOTED BY SCOWCROFT

DECLASSIFIED
White House Guidelines
E.O. 12958, SEC 3.4 (B) September 11, 2006
By Cop NARA, Date 3/18/09

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

5333

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 6, 1989 Natl Sec Advisor
has seen

INFORMATION

MEMORANDUM FOR ROBERT M. GATES

THROUGH: TIMOTHY E. DEAL *TE*

FROM: ERIC MELBY *EM*

SUBJECT: Your Query on Poland and The Hague Process

Therese
JD

Poland

You asked about the possibility of providing debt relief for Poland similar to that offered to Sub-Saharan African and "relatively least developed" countries under Section 572 of the Foreign Operations Authorization Act for FY 1989. That legislation is very restrictive in providing debt forgiveness: (a) only for African and other very poor countries (e.g. Haiti, Bolivia, Bangladesh); and (b) only for USAID loans, i.e. Development Assistance and Economic Support Fund.

To provide similar relief to Poland would require new legislation. It would also be costly. Scheduled repayments from the 16 Sub-Saharan countries eligible for debt forgiveness will total around \$60 million in FY 1990. For Poland the figure would be \$550 million. Also because Poland's per capita income is relatively high by Third World standards, it would be difficult to deny similar relief to middle-income countries in Latin America and Asia.

For Poland, probably the best course on the debt front is to obtain a generous Paris Club rescheduling of official debt. Presently, Poland has payments due in 1989 for loans maturing this year and for previously rescheduled loans amounting to \$3.3 billion (\$550 million owed to the U.S.). But even a generous rescheduling (e.g., all principal and interest on all current and rescheduled loans) would not provide any real debt relief since the Poles have not paid anything to official creditors for years. A Paris Club rescheduling would regularize their non-payments and, most important, give official export credit agencies in Europe and possibly the U.S. the green light to provide new export credits or guaranties.

Since Poland is in arrears on official debt and because anything we do for Poland would set a precedent for other debtors, we have consistently recommended grants (e.g. the private enterprise foundations) over either bilateral or multilateral debt "fixes". That still seems the preferable course unless we are prepared to seek new legislation and take a substantial budget "hit" over the next few years.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
PER E.O. 13526
2009-0997-MR
SCS 6/31/13

The Hague Environment Process

Lubbers and Rocard of France convened a meeting on global warming in March in The Hague. The U.S. was invited at the last minute but declined to attend. Twenty-four heads, including Kohl, Mitterrand, and Mulroney, signed The Hague Declaration which states:

- a) that global warming is the principal environmental problem
- ✓ b) the need for a new UN agency with regulatory authority
- c) the need for studies leading to the adoption of greenhouse gas reduction measures
- d) the need for financial assistance to developing countries to make this effort work.

The Hague organizers have called a ministerial meeting for November, probably to discuss a draft convention with targets and timetables.

The USG opposes the creation of any new UN agency and believes The Hague process is moving too fast towards targets and timetables for greenhouse gas reductions. Without directly criticizing the Hague Declaration, we have sought to concentrate efforts in the Intergovernmental Panel on Climate Change (IPCC) where we chair the key response strategies group. The President wrote Lubbers to this effect in early May. The draft Summit Communique reflects our position.

Emerging out of The Hague process, Mitterrand may push for the establishment of a Common Fund to assist developing countries in adoption of greenhouse measures. The USG view is that this is premature because we are far from knowing what measures should be adopted in the Third World. The UK supports this view.

^{AAB}
Adrian Basora concurs. & RB/achell

4811

THE WHITE HOUSE
WASHINGTON

CHRON FILE



July 26, 1989

Steve

Dear Congressman Solarz:

Thank you for sharing with me your thoughts on the future of U.S. policy toward Poland. The changes that are taking place in that country are indeed remarkable. I agree with your assessment that we have an historic opportunity to help bring about greater freedom and political pluralism in Poland.

Let me assure you that the President is committed to an active policy toward Poland and throughout Eastern Europe. The proposals the President outlined in Hamtramck in April and in Poland in July are first steps. The President intends to push ahead in such areas as debt rescheduling, foreign investment, the environment, and educational and cultural exchanges in order to encourage the continued political evolution in Poland. At the Paris Economic Summit, the President urged concerted allied action toward Eastern Europe. We look forward to working closely with the European Community to better address the Polish economic situation in a coordinated and effective manner.

The President believes that the active involvement and support of the Congress will be vital if we are to succeed in seizing the opportunities that are unfolding in Eastern Europe. In that regard, I would appreciate it if you would continue to allow us to benefit from your ideas and your interest.

Sincerely,

Brent

Brent Scowcroft

The Honorable Stephen J. Solarz
United States House of Representatives
Washington, D.C. 20515

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

July 21, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: ROBERT D. BLACKWILL *RB*
FROM: BARRY F. LOWENKRON *BL*
SUBJECT: Response to Letter from Congressman Solarz on
Administration Policy Toward Poland

At Tab I is a letter from you to Congressman Solarz stressing the President's commitment to a more active policy toward Poland and throughout Eastern Europe. Your letter also highlights the specific policies which the President intends to pursue in dealing with Poland. (Solarz's letter and recent speech on Poland are at Tab A.)

Concurrences by: *all f*
Virginia Lampley and Condi Rice

RECOMMENDATION

That you sign the letter at Tab I

Attachments

Tab I Scowcroft Letter to Solarz
Tab A Solarz Incoming

JUN 1 8 1989

STEPHEN J. SOLARZ
13TH DISTRICT, NEW YORK

4811

WASHINGTON OFFICE:
1536 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2361

COMMITTEES:

FOREIGN AFFAIRS
CHAIRMAN, SUBCOMMITTEE ON ASIAN
AND PACIFIC AFFAIRS
JOINT ECONOMIC COMMITTEE
EDUCATION AND LABOR
POST OFFICE AND CIVIL SERVICE

Congress of the United States

House of Representatives

Washington, DC
June 14, 1989

DISTRICT OFFICES:

532 NEPTUNE AVENUE
BROOKLYN, NY 11224
(718) 372-8600
619 LORIMER STREET
BROOKLYN, NY 11211
(718) 706-6603
356 COURT STREET
BROOKLYN, NY 11231
(718) 802-1400

Handwritten notes:
Hatch
b7c
b7d
f-2

Lt. Gen. Brent Scowcraft
Assistant to the President for
National Security Affairs
NSC The White House
Washington, D.C. 20500

Dear Brent:

I thought you might be interested in seeing the text of a speech I recently delivered in Chicago before the Polish National Alliance on the subject of the developments in Poland and how the United States and its allies can best respond to them.

The April signing of the round table accords could well represent a historic turning point for the Polish people in their quest to reestablish democracy after almost half a century of dictatorship.

The emergence of political freedom and genuine sovereignty in Poland would have enormous significance not only for the Polish people but for all the nations of the Western alliance. I believe that democracy in Poland would be a necessary condition for the end of the cold war.

In view of the fundamental importance to the West of developments in Poland, the United States and its allies should be looking for ways to support the process of democratization and to address the threats to that process posed by the deteriorating Polish economy.

The enclosed speech which I gave represents an initial effort to elaborate the outlines about what such an initiative might entail.

The Western countries need to elaborate a comprehensive plan to help Poland's economy to recover. Such a program could prove invaluable in providing the Polish authorities with sufficient incentive to complete the journey to genuine democracy.

I would, of course, be most interested in your reaction to the speech, or more generally on the overall situation in Poland and what the United States should do to respond.

Sincerely,





United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 101ST CONGRESS, FIRST SESSION

Vol. 135

WASHINGTON, TUESDAY, MAY 16, 1989

No. 62

House of Representatives

"HOW TO TRANSFORM CRISIS
INTO TRIUMPH"—AN ADDRESS
ON POLAND BY CONGRESSMAN
STEPHEN J. SOLARZ

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 16, 1989

Mr. ROSTENKOWSKI. Mr. Speaker, a few days ago our colleague, the gentleman from New York [Mr. SOLARZ], delivered an address on the significance of recent developments in Poland at the annual Polish National Alliance banquet in Chicago, IL, in honor of the 1791 Polish Constitution.

In his speech, Mr. SOLARZ discussed the April signing of the roundtable agreement as representing a historic opportunity for the Polish people to make a peaceful transition from dictatorship to democracy. He also pointed out that the developments could have lasting significance for East-West relations by helping to end the cold war. Noting the threats to successful implementation of the agreement, including the potential for social unrest caused by the deteriorating Polish economy, Mr. SOLARZ described the measures that the United States can take to encourage the momentum for reform. These steps include cooperating with our Western allies to produce a comprehensive economic assistance program which would act as an incentive for the Polish Government to continue on the road toward democracy.

Mr. Speaker, I believe that the ideas put forward by Mr. SOLARZ about the how, in his words, "to transform the Polish crisis into a Polish triumph," ought to be seriously considered by the American people and by our colleagues as we begin to weigh how best to respond to the new realities in Poland. I commend Mr. SOLARZ' insights and recommendations, and I ask leave now to place them in the RECORD.

POLISH CONSTITUTION DAY

(Address by Congressman Stephen J. Solarz)

Witam Panstwo!
I am proud to be here tonight in the company of so many distinguished Americans and Poles.

I am especially grateful to the Polish-American Congress and the Polish National Alliance for giving me the opportunity to speak to you about the significance of the round table accords for Poland and the United States.

After more than four decades of darkness and despair, of decline and dictatorship, of foreign domination and domestic degradation, a ray of light can now be seen at the end of the long tunnel of totalitarianism.

Whether it will be possible for the Polish people to emerge from the darkness of dictatorship into the sunlight of democracy will depend in no small measure on their personal courage and political creativity.

It will also depend on the memory of democracy in Poland which is symbolized by the May 3rd Constitution whose 198th anniversary we celebrate tonight.

Along with the French and American constitutions of the same era, it defined the modern understanding of the relationship between the power of the state and the rights of the individual.

For almost two centuries, the May 3rd constitution has been an enduring symbol of human rights and human dignity in Poland.

For more than 120 years of foreign domination it kept hope alive.

For the past 50 years, a period in Polish history which began with the brutal attack by her Nazi neighbor to the West and her communist neighbor to the East, the memory of the May 3rd constitution has sustained the desire for democracy among a people who during this time experienced nothing but dictatorship.

And today, its message of human rights and human dignity is being heard loudly and clearly again.

From the shipyards on the Baltic to the coal mines in Silesia, from large cities like Warsaw and Wroclaw to small towns like Sanok and Suwalki, the Polish people are once again crying out for freedom.

They know that human rights are given by God and not by man, and that no theory of history, no theory of economics, no theory of class struggle has the power to take them away.

One month ago, the Polish government and the Polish people concluded a far reaching accord intended to rejuvenate the political, social and economic life of the nation.

For the government, the agreement represents an admission that the policies of the past eight years—indeed of the past forty years—have been a failure.

It constitutes a belated recognition by the regime of the truth of Stalin's observation that trying to impose socialism in Poland is like trying to put a saddle on a cow.

Yet in signing the agreement, the authorities are making a gamble that by relinquishing some power, they can preserve the rest.

For the opposition, while the agreement creates a momentum for change, it provides no guarantee for the establishment of democracy.

It also commits the opposition to sharing responsibility for implementing what could be painful economic reforms.

Yet for all of its limitations, the round table agreement offers the best opportunity Poland has had in half a century to make a peaceful transition from dictatorship to democracy.

It is important, therefore, for us to understand exactly what the agreement does—and does not—provide.

In political terms, the round table agreement:

Restores the legal rights of Solidarity as well as those of Rural Solidarity and the Independent Student Association.

It sets elections in June for the Sejm in which 35 percent of the seats will be freely contested by anyone who chooses to run.

It restores via free and open elections in June a 100 member upper chamber of parliament—the senate—with the power to veto legislation enacted by the lower house.

It establishes the post of president of the republic, elected to a six year term by the two houses of parliament.

It allows Solidarity a half hour of television time weekly and one hour of radio time on the state controlled media.

It permits Solidarity to publish its own daily national newspaper and cases press censorship in general.

It requires the government to strengthen the independence of judges and the courts.

In the economic realm, the agreement calls for:

The indexation of wage and pension increases to 80 percent of inflation.

The redirection of investment resources toward consumer goods and away from defense and raw material industries.

The elimination of preferential access to consumer goods for party members.

The eventual balancing of the national budget and the gradual phasing out of subsidies.

And the selection of factory managers on

the basis of ability rather than political connections.

As sweeping as these provisions are, it is important to note that the agreement does not:

Legalize opposition political parties.

Provide for a freely elected parliament.

Abolish all press censorship or break the state control of the media.

Furthermore, the agreement fails to:

Address in any comprehensive way the problem of low productivity in the economy.

Restore consumer goods to the marketplace.

Or abolish the detestable and demoralizing nomenklatura system in which almost 1 million key jobs in the economy are set aside as a special reserve for the 1.3 million members of the communist party.

But although the round table agreement falls short of providing what Abraham Lincoln characterized as a government of the people, by the people and for the people, it does represent an enormous opportunity for democracy in Poland.

Yet it is also true that, like Rome, political pluralism and economic prosperity in Poland cannot be built in a day.

The real choice that confronts Poland is not between purgatory and paradise, but between stagnation and rejuvenation.

The Polish people, exhausted by the seemingly endless talks and by the daily grind of economic hardship, have greeted the agreement with a certain degree of skepticism.

Their cautious reaction underscores the political realities of a country where dashed hopes and unkept promises have become part and parcel of a long history of betrayal and repression.

The bitter disappointments—the failure of Gomulka's political reforms in the late 1950's, the collapse of Gierk's economic policies in the mid 1970's, and the betrayal of the Gdansk accords in the early 1980's—have taught the Polish people the lesson that promises by the authorities are more often broken than fulfilled.

It will take the continuing courage and commitment of the Polish people to counter the inevitable efforts on the part of Stalinist elements within the communist party to subvert not only the spirit but also the letter of the agreement.

But difficult as this will be, Poles can take heart from the fact that they are blessed with extraordinary leadership. Inspired by the charismatic eloquence of Lech Walesa, the sage advice of activists like Jacek Kuron and Adam Michnik, and by the spiritual wisdom of Pope John Paul II.

For Poland, the difference between the success and failure of the round table agreement will be the difference between the establishment of democracy and the continuation of dictatorship.

For the United States, the success of the accords would mean the fulfillment of our humanitarian hopes for the Polish people, but the emergence of genuine democracy in Poland also represents a necessary condition for the end of the cold war and the transformation of our relationship with the Soviet Union from one of aggressive confrontation to one of peaceful competition.

In recent years, much has happened to suggest that the Iron Curtain—which only a few years ago had seemed to be a permanent fixture on the European landscape—may finally be lifting.

Yet if the cold war is really to end, it will need to end where it began. And that place is Poland.

We need, therefore, to consider how the United States can most effectively contribute to a fundamental political and economic transformation in Poland.

And we also need to consider the major