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2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

**This is not a textual record. This is used as an
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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: 91125
Folder ID Number: 91125-008

Folder Title:
Soviet Power Collapse in Eastern Europe (July - August 1990)

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	3	4

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Cable	Re: Presidential Correspondence: Response to Mazowiecki July 3 Letter (2 pp.)	8/23/90	(b)(1)	C
01b. Memo	J. Stapleton Roy to Brent Scowcroft Re: Response to Polish Prime Minister Mazowiecki (1 pp.)	8/16/90	(b)(1)	C
01c. Draft Letter	Re: Department of State Draft Reply (4 pp.)	n.d.	(b)(1)	
01d. Cable	Re: Prime Minister Mazowiecki's Letter to President Bush (4 pp.)	7/3/90	(b)(1)	C

Page 1 of 1

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 (July - August 1990)

Pinksheet Number: cap1060
OA/ID Number: 91125-008
Date Closed: 3/31/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

UNCLASSIFIED
NSC/S PROFILE

RECORD ID: 9005926
RECEIVED: 24 JUL 90 07

TO: WINSTON, C

CHRON FILE

FROM: SCOWCROFT

DOC DATE: 24 JUL 90
SOURCE REF: 160649



KEYWORDS: SPEECHES
HUMAN RIGHTS

EUROPE EAST
WH REFERRAL

PERSONS:

SUBJECT: PRES REMARKS RE CAPTIVE NATIONS DAY

ACTION: SCOWCROFT SGD WH REFERRAL	DUE DATE: 24 JUL 90	STATUS: C
STAFF OFFICER: RODMAN	LOGREF: 9005432	9005505
FILES: WH	NSCP:	CODES:

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

FOR ACTION

FOR CONCURRENCE

FOR INFO
NSC CHRON
RODMAN
HUTCHINGS

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSDAI CLOSED BY: NSALW DOC 2 OF 2

UNCLASSIFIED

WHITE HOUSE STAFFING MEMORANDUM

5926

DATE: 07/23/90ACTION/CONCURRENCE/COMMENT DUE BY: 2:00 p.m. Tuesday 07/24SUBJECT: PRESIDENTIAL REMARKS: CAPTIVE NATIONS DAY
(07/23 8:00 p.m. draft)

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☐	NEWMAN	☐	☐
SCOWCROFT	☒	☐	PORTER	☒	☐
DARMAN	☒	☐	ROGICH	☒	☒
CARD	☐	☒	UNTERMEYER	☐	☐
CICCONI	☐	☒	<u>ROGERS</u>	☐	☒
DEMAREST	☒	☐	<u>PINKERTON</u>	☒	☐
FITZWATER	☐	☒	<u>WINSTON</u>	☐	☒
GRAY	☐	☐		☐	☐
HAGIN	☐	☐		☐	☐
HOLIDAY	☒	☐		☐	☐

REMARKS:

Please provide any comments/recommendations directly to Chriss Winston by 2:00 p.m. on Tuesday, 07/24, with a copy to my office. Thanks.

RESPONSE:

TO: CHRISS WINSTON

July 24, 1990

The NSC Staff concurs, with the changes indicated.


Brent Scowcroft

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

NATIONAL SECURITY COUNCIL

7/24/90

11:45

Captive Nations

Brent —

We turned off the idea
of children on the dais, and
changed the theme of the speech
from "Children of Freedom" to
"the new generation of freedom."

A group of young East European
interns in the audience will
help make the point.

— Bob Hutchings

(Hinchliffe/Garmey)
July 23, 1990 8:00 p.m.
NATIONS

PRESIDENTIAL REMARKS: CAPTIVE NATIONS DAY JUL 25
Rose Garden
July 25, 1990

Welcome to every one of you able to be here for this extraordinary event. \\ For the last 32 years, presidents from Eisenhower to Reagan have commemorated Captive Nations Day. It has been a ceremony to bear witness to the struggling and suffering of millions. A ceremony to honor courage. A ceremony to tell everyone still in bondage that they were not forgotten. These previous Captive Nations Days have not been moments of joy, but of serious rededication -- and of sadness that so many in our world lived in the throes of tyranny. \\

The Revolution of '89 was ~~a~~ stunning -- thrilling ~~[event]~~. At this ceremony last year, we told the world that we would keep faith with those who were oppressed. And we did. Then, taking their lives into their own hands, the very people who were in our hearts crafted an unforgettable year of triumph. The triumph of brave hearts ~~[over cruel stone]~~. The triumph of people declaring they would control their own destinies. \\

Last summer, while we were in Eastern Europe, Barbara and I sensed excitement in the air. In meetings with ~~leaders~~ ^{the people} of Poland and Hungary, I ~~pledged America's strong support for their historic struggle, two generations.~~ ^{pledged America's strong support for their} ~~urged change -- as have American Presidents for~~ ^{barbed wire on the} Like most Americans, we had watched in joy as the Austrian-Hungarian border had come down. And we were deeply moved as ^{these changes} ~~this historic vision~~ swept across a continent, ^{bringing within} ~~that will reach the vision of~~ ~~some day be~~ a Europe whole and free.

For four long decades, America and her allies have remained

united and strong in our mission for peace and freedom. That strength has at long last borne fruit. What an amazing year this has been. A year of technicolor glory in lands that had been defined by black watchtowers and walls, and the ^{gray} ~~drab~~ emptiness of lost dreams.

But we are gathered here today not just to celebrate the joyous change of this past year, but to celebrate it in a very special way. With us today are ^{some of the young people whose} ~~children from Hungary, Poland, Czechoslovakia and other countries which~~ were a part of the Revolution of '89. Their ^{presence tells us that they} ~~eager eyes and bright smiles tell us:~~ "We believe in ^{themselves} ~~ourselves~~ and in ^{their} ~~our~~ homelands. ^{For a bold and} ~~We can now dare to~~ brilliant light illuminates their new horizons, ~~dream for the rainbows just beyond our bright new horizons.~~"

And so, to honor that shining faith in the future, on behalf of the peoples of the free world, I dedicate this day to the new ^{generation of freedom - and to future generations who will} ~~children of Freedom~~ ^{III} never have to bear the burden of tyranny.

^{too simple, repetitive)} ~~[These little ones are the future generation of the newly freed lands that were, only a year ago, still held in regimented gray captivity. We celebrate that they are now free to paint the futures of their countries in the broad, colorful strokes of childhood's limitless imagination.]~~

~~[In America, if a child is afraid of the dark, he can be comforted by a simple nightlight. But the Children of Captivity lived in fear day and night. Now a bold and brilliant light has been turned on, to chase away the nightmares of the unknown.]~~

~~[For some children, this light of freedom means actual deliverance from death. Those like tiny Joshua Laine. For seven months, this abandoned Romanian baby, like 40,000 others, had~~

~~lain in one of Ceausescu's unthinkable warehouse orphanages.~~

(conveys
wrong
image)

~~Sunk in a hole in his mattress, his physical world was as limited and hopeless as his future. When change and reform came to Romania, an American couple was allowed to adopt him. Now Joshua has love ... freedom ... a future.]~~

Some of the new generation
For ~~other~~ children, this ~~new~~ freedom means a whole new world

in their own backyard. On that unforgettable morning when the East German borders fell, parents scooped up their children and brought them to the Brandenburg Gate, the final symbol of tyranny in Berlin. Still in their nightclothes, these children on their first day of new freedom, were passed up from friendly hand to friendly hand to have the thrill of sitting on top of the wall

-- looking across at the endless horizons of their new world. \\\

But while we celebrate for ~~the children~~ ^{those} who are now free, we must also still remember ~~the children~~ ^{those} who are not. \\\

I continue to be moved by what I see and hear throughout the rest of the world, where unfinished revolutions continue one individual story at a time. In the Americas, where a boy with nothing but a board and a sail windsurfed to escape from the politics of repression. ~~[In Asia, where iron tanks were met by the iron will of a lone man. In Africa, where a proud leader ended 10,000 days of prison and took the final steps on his walk to freedom.]~~

(South
Africa
not a
captive
nation)

Alongside the success stories of nations, we also hear quiet stories of individuals who, even in darkness, could see the vision of liberty. Those who have risked everything in countries not yet free. The countries we must still remember today. The

desperate people we must never forget.\\

Boys like Quang Trinh. A young Vietnamese teenager, he almost died escaping from the shattered life of a country where he had seen his mother killed, his father jailed, his brothers' spirits broken. Quang fled the only life he had known ... for freedom. He jumped into shark-infested waters ... for freedom. He starved in delirium ... for freedom. After he was finally rescued and told he could enter the U.S., he wept all night long.

When did something touch our lives so completely that we cried for joy through the night? Quang calls America "freedom country." How many of us have stopped to think of our homeland in those terms? \\\

You know, on my desk in the Oval Office I have ^a ~~two~~ mementos ~~[with me]~~ at all times. ~~(One is a tiny American flag, given to me in an Army hospital by a soldier wounded fighting to free our friends in Panama. It represents America's commitment to freedom and to proud people, wherever they may be, who seek that freedom.)~~ (Panama
not a
Captiv
Nation

¹⁴ ~~The other souvenir~~ is a piece of the Berlin Wall -- one of the very first chiseled from that horrifying affront to humanity. I keep it always, as a reminder of the miracle which courage, strength and unity can achieve. \\

Sitting in this peaceful Rose Garden today are ~~children~~ ^{several generations including the new generation} from these nations of miracles -- ~~our children~~ ^{of freedom}. \\

But there are also ~~some empty chairs out there. They, too, are reminders. Reminders of~~ ^{Countries where the new generations are still waiting.} countries where children are even now growing up with only bleak tyranny in their futures.

Let us all work together so that next year ~~these empty~~ ^{this gathering}

^{(The dream of freedom extends to all those countries where it is now denied.}

~~chairs will be filled with children whose countries are finally free. ///~~

~~[I'm a traditionalist. But this ceremony is one tradition I'd like to break.]~~ Let us pray together that when we gather again, the light of liberty will shine across our entire planet. And that the next Captive Nations Day will be the last. ///

God bless you, and ~~(all the children of our world.)~~

God bless ~~free~~ men and women everywhere who are striving for freedom.

SUBJECT: captive nations insert

INSERT (PAGE 3)

Now, a new generation is coming of age -- in freedom. In the audience today are a group of young interns from Poland, Hungary, and Czechoslovakia. Supported by funding from private American organizations, they are spending the summer working and learning in the United States. One is working with the Speaker of North Carolina's House of Delegates, another with a television station in Washington, a third with the U.S. Chamber of Commerce. They are here learning how a free society works, and they will return to contribute to the building of a free Poland, a free Hungary, a free Czechoslovakia.

TIME STAMP RECEIVED

NATIONAL SECURITY COUNCIL
EXECUTIVE SECRETARIAT STAFFING DOCUMENT

90 JUL 24 A 8. 31

SYSTEM LOG NUMBER: 5926

ACTION OFFICER: [Redacted]

DUE: Noon 7/24

☐ Prepare Memo For Scowcroft/Gates

☐ Appropriate Action

☐ Prepare Memo For Cicconi

☐ Prepare Memo for Sittmann

☒ Prepare Memo Scowcroft

to Chriss Winston cc: Cicconi

CONCURRENCES/COMMENTS*

PHONE* to action officer at ext. x 5732

FYI

- ☐ Barth
- ☐ Basora
- ☐ Beers
- ☐ Blackwill
- ☐ Broome
- ☐ Burns
- ☐ Chamberlin
- ☐ Charles
- ☐ Coulson
- ☐ Davis
- ☐ Deal
- ☐ Dorminey
- ☐ Dyke
- ☐ Fry
- ☐ Gaughan
- ☐ Gordon
- ☐ Haass
- ☐ Hayden
- ☐ Hutchings
- ☐ Jackson

FYI

- ☐ Johnson
- ☐ Kaeuper
- ☐ Kanter
- ☐ Kitchen
- ☐ LaMagna
- ☐ Lampley
- ☐ Levin
- ☐ Lundsager
- ☐ Mandel
- ☐ Melby
- ☐ Menan
- ☐ Merchant
- ☐ Miller
- ☐ Needels
- ☐ O'Leary
- ☐ Ordway
- ☐ Paal
- ☐ Pacelli
- ☐ Pilling
- ☒ Popadiuk

FYI

- ☐ Pryce
- ☐ Rademaker
- ☒ Rice
- ☒ Rodman
- ☐ Rostow
- ☐ Salvetti
- ☐ Tilley
- ☐ Tobey
- ☐ Van Eron
- ☐ Watson
- ☐ Welch
- ☐ Whitley
- ☐ Wilson
- ☐ Working
- ☐ Zelikow
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____
- ☐ _____

INFORMATION

☐ Sittmann

☒ Scowcroft (advance)

☒ Deputy Exec. Sec.

☒ Gates (advance)

☒ Exec. Sec. Desk

☒ Secretariat

COMMENTS

CRW#:

Logged By DAL

Return to Secretariat

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 9005368
RECEIVED: 03 JUL 90 19

CHRON FILE

TO: MAZOWIECKI, TADEUSZ

FROM: PRESIDENT

DOC DATE: 23 AUG 90
SOURCE REF:

KEYWORDS: POLAND
ECONOMICS

HS



PERSONS: MAZOWIECKI, TADEUSZ

SUBJECT: PRES RESPONSE TO PM MAZOWIECKI RE AID TO RELIEVE FORN DEBT

ACTION: PRES APPROVED CABLE DUE DATE: 24 AUG 90 STATUS: C
STAFF OFFICER: HUTCHINGS LOGREF: 9000944 9001370
FILES: WH NSCP: CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

BASORA

DEAL

RICE

NSC CHRON

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cop NARA, Date 3/31/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSALW

CLOSED BY: NSLMS

DOC 5 OF 5

~~CONFIDENTIAL~~

IMMEDIATE

~~CONFIDENTIAL~~

5368

WHITE HOUSE SITUATION ROOM

DECLASSIFIED
PER E.O. 13526

b6h 2/25/13

2009-1015-MR

PAGE 01 OF 02

PR: VANERON
ST: VAX

PREC IMMEDIATE CLAS ~~CONFIDENTIAL~~ DTG 230205Z AUG 90

FM SECSTATE WASHDC

TO RUEHWR AMEMBASSY WARSAW IMMEDIATE 6319
INFO RUEHBS AMEMBASSY BRUSSELS IMMEDIATE 2168

~~CONFIDENTIAL~~ STATE 282375

EXDIS: BRUSSELS FOR USEC

E.O. 12356: DECL: OADR

TAGS: PREL EFIN PL

SUBJECT: PRESIDENTIAL CORRESPONDENCE: RESPONSE TO

MAZOWIECKI JULY 3 LETTER

REF: WARSAW 10248

1. CHARGE IS REQUESTED TO DELIVER THE FOLLOWING LETTER TO
PRIME MINISTER MAZOWIECKI FROM THE PRESIDENT:

BEGIN TEXT:

DEAR MR. PRIME MINISTER:

I WOULD LIKE TO CONGRATULATE YOU ON THE RECENT PASSAGE OF
THE NEW PRIVATIZATION BILL. I KNOW THAT YOU, DEPUTY PRIME
MINISTER BALCEROWICZ, AND THE OTHER MEMBERS OF YOUR
ADMINISTRATION HAVE WORKED HARD DURING THE PAST SEVERAL
MONTHS TO ACHIEVE THIS LANDMARK LEGISLATION. THIS IS AN
IMPORTANT STEP FORWARD FOR POLISH REFORM AND WE STRONGLY
SUPPORT IT.

IT HAS BEEN A YEAR SINCE MY VISIT TO POLAND. DURING THAT
TIME YOUR GOVERNMENT HAS MADE REMARKABLE PROGRESS IN
SETTING UP THE STRUCTURES OF A DEMOCRATIC GOVERNMENT AND A
MARKET ECONOMY. WE REMAIN COMMITTED TO STRONG SUPPORT FOR
POLAND'S POLITICAL AND ECONOMIC REFORMS. WE HAVE SOUGHT
TO BE AS RESPONSIVE AS POSSIBLE TO THE REQUESTS FOR
ASSISTANCE FROM YOUR GOVERNMENT. I AM DELIGHTED THAT WE
WERE ABLE TO ORGANIZE THE ONE BILLION DOLLAR STABILIZATION
FUND FOR YOUR COUNTRY, PROVIDE A SIGNIFICANT AMOUNT OF
FOOD AID, ESTABLISH THE ENTERPRISE FUND, AND BEGIN WORK ON
A BROAD TECHNICAL ASSISTANCE PROGRAM.

IN RESPONSE TO YOUR LETTER OF JULY 3, I AM PLEASED THAT
THE UNITED STATES HAS BEEN ABLE TO BE OF ASSISTANCE TO YOU
IN THE AREA OF DEBT RELIEF. WE AND OTHER CREDITORS AGREED
ON A PARIS CLUB RESCHEDULING FOR POLAND WITH VERY GENEROUS
AND UNPRECEDENTED TERMS. AS YOU KNOW, DESPITE THE SMALL
U.S. SHARE OF POLAND'S COMMERCIAL BANK DEBT, WE ARE ALSO
WORKING TO FACILITATE A COMMERCIAL BANK AGREEMENT THAT
INCLUDES DEBT AND DEBT SERVICE REDUCTION. INDEED, WE WILL
CONTINUE TO DISCUSS THE PROGRESS AND PROSPECTS OF SUCH AN
AGREEMENT WITH YOUR FINANCIAL ADVISORS.

AT THE HOUSTON SUMMIT THE SEVEN LARGEST INDUSTRIAL
DEMOCRACIES REITERATED THEIR SUPPORT FOR POLAND AND OTHER
CENTRAL AND EAST EUROPEAN COUNTRIES COMMITTED TO ECONOMIC
AND POLITICAL REFORM. THE SUMMIT UNDERSCORED THE PARIS
CLUB AGREEMENT TO SUPPORT ECONOMIC REFORM PROGRAMS WITH
ADEQUATE RESTRUCTURING AGREEMENTS, INCLUDING MULTIYEAR
RESCHEDULINGS. THE SUMMIT PARTICIPANTS ALSO ENCOURAGED
THE PARIS CLUB TO LENGTHEN THE REPAYMENT PERIOD FOR LOWER
MIDDLE-INCOME COUNTRIES, SUCH AS POLAND, WHICH ARE
IMPLEMENTING STRONG ECONOMIC REFORM PROGRAMS.

THE UNITED STATES RAISED THE ISSUE OF POLAND'S OFFICIAL
DEBT AT THE HOUSTON SUMMIT AND EXPLORED THE INTEREST OF
OTHERS IN ADDRESSING IT FURTHER. IT WAS AGREED THAT THE
ISSUE OF POLAND'S OFFICIAL DEBT IS A DIFFICULT AND COMPLEX
ONE, PARTICULARLY FOR OTHER CREDITORS WITH SUBSTANTIAL
EXPOSURE. GIVEN THE RELATIVELY MODEST AMOUNT OF POLISH
OFFICIAL DEBT TO THE UNITED STATES, WE NEED A PROGRAM
SUPPORTED BY POLAND'S OTHER OFFICIAL CREDITORS IN ORDER TO
PROVIDE SIGNIFICANT RELIEF. INDEED, BECAUSE THIS IS A

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~~CONFIDENTIAL~~

IMMEDIATE

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02

MULTILATERAL PROBLEM WHICH CLEARLY REQUIRES A CONCERTED APPROACH. WE MUST CONTINUE OUR EFFORTS WITH THE OTHER CREDITORS. THE CURRENT PARIS CLUB RESCHEDULING RUNS THROUGH MARCH 1991. SO WE WILL USE THE INTERVENING PERIOD TO EXPLORE FURTHER POSSIBLE APPROACHES TO ADDRESSING THIS PROBLEM.

I WISH YOU EVERY SUCCESS AS YOU CONTINUE WITH YOUR REFORM EFFORTS. LET ME PERSONALLY EMPHASIZE HOW INSPIRING THE CHANGES IN POLAND HAVE BEEN TO THE ENTIRE WORLD. YOUR ABLE LEADERSHIP HAS BEEN AN IMPORTANT PART OF THIS TRANSITION. YOU MAY BE ASSURED OF OUR CONTINUING STRONG SUPPORT.

SINCERELY
GEORGE BUSH
END TEXT.

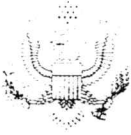
2. THERE WILL NOT BE A SIGNED ORIGINAL. DEPARTMENT WILL PROVIDE AMBASSADOR DZIEWANOWSKI WITH A COPY OF THE LETTER ON AUGUST 22. EAGLEBURGER

BT
#2375

EXDIS

EXDIS

EXDIS



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0368

United States Department of State

Washington, D.C. 20520

~~CONFIDENTIAL~~

AUG 16 1990

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PER E.O. 13526

2009-1015-MR

bah 2/25/13

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Response to Polish Prime Minister Mazowiecki

Attached is the proposed State Department response to Prime Minister Mazowiecki's July 3 letter on debt reduction for Poland. This draft has been cleared with Treasury Assistant Secretary Charles Dallara.

R. A. LaMantia Jr
For J. Stapleton Roy
Executive Secretary

Attachments:

- Attachment 1 - Draft Response.
- Attachment 2 - Mazowiecki letter.

~~CONFIDENTIAL~~

DECL:OADR

DEPARTMENT OF STATE

DRAFT REPLY

Dear Mr. Prime Minister:

I would like to congratulate you on the recent passage of the new privatization bill. I know that you, Deputy Prime Minister Balcerowicz, and the other members of your administration have worked hard during the past several months to achieve this landmark legislation. This is an important step forward for Polish reform and we strongly support it.

His Excellency

Tadeusz Mazowiecki,

Prime Minister of the Council of Ministers

of the Republic of Poland,

Warsaw.

It has been a year since my visit to Poland. During that time your government has made remarkable progress in setting up the structures of a democratic government and a market economy. We remain committed to strong support for Poland's political and economic reforms. We have sought to be as responsive as possible to the requests for assistance from your government. I am delighted that we were able to organize the one billion dollar Stabilization Fund for your country, provide a significant amount of food aid, establish the Enterprise Fund, and begin work on a broad technical assistance program.

In response to your letter of July 3, I am pleased that the United States has been able to be of assistance to you in the area of debt relief. We and other creditors agreed on a Paris Club rescheduling for Poland with very generous and unprecedented terms. As you know, despite the small U.S. share of Poland's commercial bank debt, we are also working to facilitate a commercial bank agreement that includes debt and debt service reduction. Indeed, we will continue to discuss the progress and prospects of such an agreement with your financial advisors.

At the Houston Summit the seven largest industrial democracies reiterated their support for Poland and other Central and East European nations committed to economic and political reform. The Summit underscored the Paris Club agreement to support economic reform programs with adequate restructuring agreements, including multiyear reschedulings. The Summit participants also encouraged the Paris Club to lengthen the repayment period for lower middle-income countries, such as Poland, which are implementing strong economic reform programs.

The United States raised the issue of Poland's official debt at the Houston Summit and explored the interest of others in addressing it further. It was agreed that the issue of Poland's official debt is a difficult and complex one, particularly for other creditors with substantial exposure. Given the modest amount of Polish official debt to the United States, we need a program supported by Poland's other official creditors in order to provide significant relief. Indeed, because this is a multilateral problem which clearly requires a concerted approach, we must continue our efforts with the other creditors. The current Paris Club rescheduling runs through March 1991, so we can use the intervening period to explore further possible approaches to addressing this problem.

not "will"

I wish you every success as you continue with your reform efforts. Let me personally emphasize how inspiring the changes in Poland have been to the entire world. Your able leadership has been an important part of this transition. We will continue to offer whatever assistance we can.

Sincerely,

George Bush

NATIONAL SECURITY COUNCIL

ID 9005368

REFERRAL

DATE: 06 JUL 90

MEMORANDUM FOR: ROY, J

STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: MAZOWIECKI, TADEUSZ

DATE: 03 JUL 90

SUBJ: CABLE TO PRES FM PM MAZOWIECKI RE REQUEST FOR AID TO REDUCE FORN
DEBT

REQUIRED ACTION: FOR RECOMS/DRAFT REPLY

DUE DATE: 06 JUL 90

COMMENT:

FOR

Amy Wagner
for GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

IMMEDIATE

~~CONFIDENTIAL~~

5368

WHITE HOUSE SITUATION ROOM

PRES NOTED SUMMARY

PAGE 01 OF 04

PRT: GATES SCOWCROFT SIT SITTMANN VANERON
SIT: FILE BLACKWILL HUTCHINGS PRES MSGS SIT SUM VAX

<PREC> IMMEDIATE <CLAS> ~~CONFIDENTIAL~~ <DTG> 031619Z JUL 90

FM AMEMBASSY WARSAW

DECLASSIFIED
PER E.O. 13526
2009-1015-MR
bah 2/25/13

TO SECSTATE WASHDC IMMEDIATE 1352

~~CONFIDENTIAL~~ SECTION 01 OF 02 WARSAW 10248

STATE FOR D - AMBASSADOR BARRY/MR. JUSTER

E.O. 12356: DECL: OADR

TAGS: PREL, EFIN, PL

SUBJECT: PRIME MINISTER MAZOWIECKI'S LETTER TO
PRESIDENT BUSH

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. DURING MY JULY 3 CALL ON FOREIGN MINISTER
KRZYSZTOF SKUBISZEWSKI, HE HANDED ME THE FOLLOWING
LETTER FROM PRIME MINISTER TADEUSZ MAZOWIECKI TO
PRESIDENT BUSH WITH THE REQUEST THAT I CONVEY IT
PROMPTLY. INFORMAL TRANSLATION OF THE POLISH
TEXT OF THE LETTER FOLLOWS PARA 3 BELOW.

3. BEGIN INFORMAL TRANSLATION OF LETTER:

JULY 3, 1990

DEAR MR. PRESIDENT:

I AM WRITING TO ASK FOR YOUR SUPPORT FOR POLAND'S
EFFORTS TOWARD A PERMANENT REDUCTION OF OUR
FOREIGN DEBT SERVICE AT THE MEETING OF THE
HEADS OF STATE OF THE GROUP OF SEVEN IN HOUSTON.

I TAKE THIS LIBERTY MINDFUL OF THE MANY PROOFS OF
SYMPATHY WHICH YOU HAVE DEMONSTRATED TO POLAND AND
THE IMPORTANCE WHICH YOU ATTACH TO LIGHTENING DEBT
BURDENS WHICH HINDER THE DEVELOPMENT OF COUNTRIES
STRIVING FOR DEMOCRACY AND MARKET ECONOMY.

THE PROCESS OF PROFOUND POLITICAL AND ECONOMIC
TRANSFORMATION IN CENTRAL AND EASTERN EUROPE BEGAN

~~CONFIDENTIAL~~

IMMEDIATE

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

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IN POLAND. ONE MAY ALSO ASSUME THAT THE SUCCESS OF OUR REFORMS HAS VITAL SIGNIFICANCE FOR THE STABILITY AND THE RESULTS OF CHANGES IN THE ENTIRE REGION. NEITHER WILL THEY REMAIN WITHOUT INFLUENCE UPON THE ONGOING CHANGES WITHIN THE SOVIET UNION. WHERE THE POLISH REFORMS ARE BEING CAREFULLY INVESTIGATED FROM THE VANTAGE POINT OF THE POSSIBLE APPLICATION OF OUR EXPERIENCE.

OUR ATTEMPT AT A RADICAL TRANSFORMATION OF A CENTRALLY-PLANNED ECONOMY INTO A MARKET ECONOMY IS AN UNDERTAKING OF EXCEPTIONAL COMPLEXITY, ESPECIALLY AS IT NEEDS TO BE ACCOMPLISHED WITHIN THE DIFFICULT ECONOMIC SITUATION INHERITED BY US FROM PREVIOUS GOVERNMENTS. THE EFFECTS OF THE FIRST PHASE, STABILIZATION, ARE VERY PROMISING. A VITAL CONDITION FOR THE SUCCESS OF THE REFORMS IS THE PROFOUND REDUCTION OF POLAND'S FOREIGN INDEBTEDNESS, OR AT ANY RATE OF ITS SERVICING. WITHOUT IT WE DO NOT SEE A POSSIBILITY TO EMERGE FROM THE CURRENT RECESSION, ACCOMPLISH INDISPENSIBLE STRUCTURAL TRANSFORMATIONS AND CREATE SOLID FOUNDATIONS FOR FURTHER ECONOMIC GROWTH. INTERNAL SOCIAL AND POLITICAL BALANCE MAY ALSO PROVE A SOURCE OF ANXIETY.

ON THIS ISSUE WE HAVE APPROACHED THE MINISTERS OF FINANCE OF THE GROUP OF SEVEN STATES, AND ALSO ALL GOVERNMENTS REPRESENTING OFFICIAL POLISH CREDITORS WITHIN THE CLUB OF PARIS, AS WELL AS PRIVATE BANK CREDITORS REPRESENTED BY THE LONDON CLUB. WE SUGGESTED REACHING A SOLUTION WHICH WOULD RENDER POSSIBLE A PERMANENT REDUCTION OF DEBT SERVICE PAYMENTS FOR EACH YEAR TO 2 PERCENT OF THE CURRENT NOMINAL VALUE OF THE SUM. WHAT IS IMPORTANT IS THAT THIS SOLUTION PREVENT THE SYSTEMATIC INCREASE OF THE RESCHEDULED DEBT. SUCH A SOLUTION WOULD RENDER IT POSSIBLE FOR US TO

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REACH AND MAINTAIN A WORKING BALANCE ON A LEVEL WHICH WOULD CREATE THE FOUNDATIONS FOR POLAND TO REGAIN CREDIBILITY IN INTERNATIONAL ECONOMIC RELATIONS. THIS HAS A BASIC SIGNIFICANCE FOR POLAND IN BECOMING AN ATTRACTIVE PARTNER FOR PRIVATE FOREIGN CAPITAL. INVESTMENTS OF WHICH SHOULD PLAY A VERY IMPORTANT ROLE IN THE STRUCTURAL CHANGES OF THE POLISH ECONOMY. A CONSTANT IMPROVEMENT OF THE BALANCE OF PAYMENTS, SAFE FROM THE DANGERS ARISING FROM THE YEAR BY YEAR OBLIGATION TO OBTAIN THE CONSENT OF OUR CREDITORS TO DEFER PAYMENTS, WOULD CONSTITUTE THE BASIS FOR STRONG ECONOMIC TIES LINKING POLAND AND THE WORLD.

MAINTAINING THE PREVIOUS APPROACH TO THE ISSUE OF

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STATE FOR D - AMBASSADOR BARRY/MR. JUSTER

E. O. 12356: DECL: OADR

TAGS: PREL, EFIN, PL

SUBJECT: PRIME MINISTER MAZOWIECKI'S LETTER TO POLISH INDEBTEDNESS REQUIRES NUMEROUS EFFORTS ON OUR PART TO DEFER PAYMENTS BY ALL GROUPS OF CREDITORS. SIMULTANEOUSLY, THIS LEADS TO A SYSTEMATIC GROWTH OF INDEBTEDNESS, WHICH ANNIHILATES OUR CHANCES OF REGAINING CREDITWORTHINESS. AND ALL THIS UNDER CONDITIONS OF THE IMPLEMENTATION OF OUR RADICAL PROGRAM OF CHANGES.

I AM READY FOR FULL COOPERATION IN THE SEARCH FOR A SOLUTION ACCEPTABLE TO ALL INTERESTED PARTIES. I AM CONVINCED THAT THE INTERNATIONAL MONETARY FUND AND WORLD BANK -- TOGETHER WITH WHOM POLAND IS WORKING CLOSELY -- WILL ALSO ASSIST US IN RESOLVING THIS PROBLEM.

YOUR RECENT INITIATIVES, MR. PRESIDENT, CONCERNING

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THE REDUCTION OF THE INDEBTEDNESS OF LATIN AMERICA.
AND THE INITIATIVE OF FRANCE IN RESPECT TO THE DEBT
OF THE GROUP OF AFRICAN COUNTRIES FORTIFY OUR TRUST
IN A RAPID AND POSITIVE REACTION TO OUR INITIATIVE.
CONFIDENT OF YOUR UNDERSTANDING OF THE IMPORTANCE
OF THE PROBLEMS UNDER DISCUSSION. I REMAIN
RESPECTFULLY YOURS.

T. MAZOWIECKI

END UNOFFICIAL TRANSLATION OF LETTER.

DAVIS

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