

FIRST LADY HILLARY RODHAM CLINTON
WOMEN'S BRUNCH AT THE RIGA, LATVIA ASSOCIATION
RIGA, LATVIA
JULY 6, 1994

TALKING POINTS -- DRAFT

[Acknowledgements: Mrs. Aina [Ina] Ulmane [Ul-mah-nay]]

* It is not only a personal privilege to meet all of you, but an honor as an American to have the opportunity to visit this nation.

* And being in this building is itself a lesson in Latvian history. Although my stay here in Riga is brief, I will leave newly inspired by the expansive culture and spirit of the Latvian people. And by your wonderful folk songs.

* No matter what one's nationality or geographic location, women seem to share the same fundamental hopes and concerns. Women in almost every society tend to be the primary caregivers, the ones responsible for tending to children, aging parents, spouses, siblings, and friends. And often we juggle those roles with demanding responsibilities in the workplace.

* Our attempt to balance family, work, and community is not a burden, but a great opportunity. Because of our unique experiences, women have enormous potential to inject a sense of compassion and humanity into the world around us. We can help make our communities and our societies more tolerant, more understanding, and more vibrant.

* I suspect that my interest in health care and children is partly the product of my being a woman and a mother. Like mothers everywhere, I'm concerned that children have the opportunity to fulfill their potential no matter where they grow up.

* Some of the social challenges you are dealing with here in Latvia are remarkably similar to issues we face in the United States: Ensuring that children have adequate health, nutrition, and protection from abuse. Making sure that women are treated fairly in the workplace. Figuring out ways to strengthen family life.

* These are issues that, in the United States at least, sometimes are overlooked for political and economic reasons. But I believe that all civilized countries have a moral duty to help their citizens lead healthy and productive lives. That is the only way that any nation can make progress a very complicated, unpredictable world.

HIGHLIGHTS OF THE EUROPEAN TRIP

July 5 - July 12

Following is a list of events, categorized by theme, that you may want to highlight in your meeting with foreign journalists:

ARTS & CULTURE

Riga, Latvia:

The Dom (Wednesday, July 6)

While the President has a meeting with the Baltic presidents, you and Mrs. Ulmane (the Latvian president's wife) will tour the Dom, an enormous brick cathedral that serves as a combined church, museum and organ-concert hall. After a tour of the Dom, the Boy's Choir in Latvia will perform a musical presentation for you, Mrs. Ulmane, and a small audience.

Naples, Italy:

Naples Ninety-Nine Foundation event with children (Friday, July 8)

Naples Ninety-Nine is a private foundation that is working to restore the city's decaying monuments, which were for years neglected by authorities and ignored by local inhabitants. The Foundation has launched a project where monuments -- like sculptures, streets and churches -- are given to schools for adoption. Students study the monument's history, origin, and style, and become responsible for its upkeep. Students also act as guides when other students and visitors come to visit the monument.

A group of students will take you on a tour of their adopted monument, although we're not sure yet which monument that will be.

Amalfi/ Ravello, Italy:

Visit to the Amalfi Coast (Friday, July 8)

On Friday, July 8th, you will spend a good part of the day touring Amalfi and Ravello, two beautiful villages in Southern Italy overlooking the Gulf of Salerno. Later that evening, you will attend the 42nd Annual Music Festival in Ravello, an event attended by the local people of Ravello and neighboring villages, where you will hear the Schleswig-Holstein Philharmonic play two symphonies by Austrian composer Franz Schubert. [Note: The tour is not a public event; the concert is.]

Naples, Italy:

Spouses' Day planned by Mrs. Berlusconi (Saturday, July 9)

You will spend the day with the other spouses of G-7 leaders. Mrs. Berlusconi's tentative agenda includes a tour of the St. Elmo Castle Museum, the Villa Penatelli, and a luncheon (no other information available.)

Pompeii, Italy:

Tour of Pompeii and Mount Vesuvius (Sunday, July 10)

For most of the day on Sunday, you will tour excavation sites of Pompeii and Mount Vesuvius. When Mt. Vesuvius erupted in 79 A.D., the thriving commercial city of Pompeii was completely buried within hours under a mountain of hot ash, cinders and lava. Excavations began in the 18th century and have continued piecemeal ever since. Today, about three-fourths of Pompeii has been uncovered. [This is not a public event.]

Bonn, Germany:

Museum of German History (Monday, July 11)

This new museum, inspired by Chancellor Kohl, traces the post-war physical and political reconstruction of West Germany. The museum's displays begin with the Holocaust, the devastation throughout Europe caused by the Germans, and the ruins of Germany after the war, and chronicle the struggles of the next 50 years towards reunification. When the museum opened this June, however, some Germans complained that it portrays a distorted view of contemporary history, and denigrates East Germans. The idea for the museum was conceived in the 1980s, before reunification, and was originally not meant to portray East Germany at all.

Beethoven House (Monday, July 11)

The Beethoven House is a museum dedicated to Ludwig van Beethoven, located in the original three-story house where the German composer and pianist was born in 1770. The museum houses important objects chronicling Beethoven's life, including his viola from Bonn, his piano from Vienna, and ear trumpets to cope with the hearing loss that started in his twenties. After your tour of the Beethoven House, a group of promising young performers will perform a concert of Beethoven's works.

CHILDREN & EDUCATION

Warsaw, Poland:

Home on the Market Square (Thursday, July 7)

Home on the Market Square is an innovative children's home that provides care to children ages seven to fifteen with behavioral problems. Home on the Market Square is unique among child care facilities and orphanages in Poland in that it emphasizes

parental involvement and family preservation. All of the children at the Home have parents who cannot care for them properly on a full-time basis -- for reasons that include alcoholism, crime, divorce, and mild child abuse.

The children live at the Home Monday through Friday and attend the local public school; on the weekends, they stay with their parents. When the parents come to pick up the children on Fridays, they must meet with staff members to discuss their child's progress that week, what the child learned in school, and what sort of homework or other activities are required of the child over the weekend. The focus of the Home is as much on the parents as it is on the children; the goal is to ultimately reunite the children with their parents on a full-time basis.

You are scheduled to tour the Home on the Market Square, and perhaps have a discussion with a few parents and children.

Berlin, Germany:

John F. Kennedy School Commencement (Tuesday, July 12)

The John F. Kennedy School in Berlin is a bilingual, bicultural college-preparatory school where German and American students are taught together in the same classrooms. The Kennedy School offers an integrated elementary and high school program that draws on components of both the German and the American educational systems. Students have intensive exposure to the language and traditions of their partner culture. The school is part of the German public school system and is tuition-free.

You will give the commencement address at this year's graduation. Mrs. Kohl will also speak.

WOMEN LEADERS

Riga, Latvia:

Lunch with Latvian Women (Wednesday, July 6)

You will meet with a group of Latvian women prominent in the arts, literature, academia, business, government, politics and labor. The lunch will be held at the Latvian Society Building, a newly renovated cultural center. Mrs. Urmane is hosting the lunch.

Warsaw, Poland:

Lunch and Concert with Polish Women (Thursday, July 7)

Same premise as above. The lunch will be held at the Wilanow Palace, considered the most beautiful baroque residence in Warsaw. The lunch will include a concert of piano music by the famous Polish composer Frederic Chopin. The host of the lunch is Ambassador Rey's wife.

82 *An economic profile of the Baltic states*

includes certain provisions giving preference for Latvian for higher education for the future as well as making Latvian mandatory from first grade even in Russian-language schools.

The big unresolved question is that of citizenship in an independent Latvian republic. Although Latvian government leaders and officials have indicated their preference for the so-called 0-variant (that is citizenship to all presently residing in the republic) or the modified 0-minus-5-variant (those who have lived there a minimum of five years), some of the more outspoken nationalists and Parliament deputies call for other options, the most extreme being that citizenship should be granted only to those who held Latvian citizenship in 1940 and their descendants. The question is far from being resolved. The general Latvian population may be more radical in its views on this question than the present Latvian government.

Awareness of potential problems has led to the creation within the new government of an infrastructure to deal with these issues. Members of the Supreme Council's Commission on Human Rights and National Questions have participated in international conferences recently in Oslo and Tallinn on issues of the rights of nationalities. On 6 February 1991 a Department of Nationalities with ministerial status was created by a resolution of the Council of Ministers whose task it will be to study the nationalities' situation and work out proposals such as a potential addition to the language law, if it is found that it cannot function as intended. There will be a law on national minorities, concerning culture and education, and the national minorities will receive government funds for their activities in these fields.

b. Health

Average life expectancy in 1989 was 71 years — 66 years for men and 75 years for women. This is 3–7 years lower than in the majority of European nations. Infant mortality has declined from 17.9 in 1970 to 11.0 per thousand births in 1988, which is low in comparison to the aggregate Soviet Union figure of 24.7. Birth defects have been increasing. The leading causes of death are circulatory system disease, cancer and accidents.

In 1989, there were 50 physicians (including all specialties) and 147 hospital beds per 10,000 inhabitants. In 1989 51,500 abortions were performed, that is 79 per 1,000 women between the ages of 15 and 49.

Health care has been provided by the state for free, except for certain services like dentistry. Care is accessible in polyclinics or hospitals, the location being determined by place of residence. As in all of the Soviet Union, there has been a shortage of advanced technology and medication. Medical workers including doctors have had extremely poor official salaries (the beginning monthly salary for a physician is 120 roubles). These factors have led to a general perception of poor health care, even if above the Soviet average.

A transition to a payment and insurance health system is planned and the specifics are being worked out by the republican Physicians' Society. Part of the cost will be provided for from the 37 per cent social insurance tax, but part will be paid by individuals. There are already some doctors

cooperatives, wh
tices. This kind

c. Education

Of 1,000 inhabit
in 1989 (that is
education, 168
education (623
tion high school
schools, 40 per
schools. There
Every year, 20.0
age of fifteen w
place among the

There is a
indeed transf
drafted but not
increased aut
tightly contro
twelve years
one for Latvian
in three to four

It is recognise
textbooks and
and to create

d. Housing

The average liv
in 1989 and 24.
which has incre
urban average
28 million squar
metres privately
privately owned.

Provision of se
the cities, 93
systems, 77
In the country
cent have hot wa
central heating.

The quality of
construction and
old and new hou
1980s, so parts
Other parts of R
was thrown up

3 Latvia

A. History

The history of Latvia includes only a brief period of independence, from 1918 to 1940. Despite this, Latvians have a keen sense of national identity. The awareness stretches beyond culture and language into the political consciousness of today and the demands for renewed independence.

The lack of a historical state does not, however, imply a lack of national history. Since prehistoric times Finno-Ugric and Baltic tribes have inhabited the territory of present-day Latvia. From the twelfth century onwards they were under foreign rule. From the fourteenth to the sixteenth century the area was under the control of Teutonic Orders, who established a Livonian state, covering the territory of Latvia and parts of present-day Estonia. Then southern Livonia and Courland (west Latvia) came under Polish-Lithuanian rule, until 1621, when Sweden took over Livonia. One century later, in 1721, Livonia was incorporated into Russia, as was Courland in 1795, to become Russian Baltic provinces until independence was achieved in 1918.

As elsewhere in Europe, nationalism emerged and developed in Latvia during the nineteenth century. Its sources are connected to the German Enlightenment leader J. G. Herder who worked as a pastor in Riga in the 1760s where he became interested in and collected Baltic folklore. The agrarian reforms in the nineteenth century (particularly the abolition of serfdom, 1816-19) provided additional possibilities for the development of national consciousness. The movement attracted increasing numbers of activists, and by the second half of the century the idea of a separate national identity with an independent culture spread widely. In 1873 the first song festival was held, initiating a strong tradition that has played an important role in the present rebirth (*atmoda*) of national consciousness. Political movements combined social ideas from Russia and Western Europe with nationalism, and radical nationalist organisations were very active in the beginning of the twentieth century. For the Russian Baltic Provinces 1905 was a violent year, and Latvians were active in the 1917 Russian revolution.

Economic life during the period before Latvia's political independence was characterised by relatively undynamic agriculture and a rapidly emerging industry. Despite the agricultural reforms of the first half of the nineteenth century — a generation before serfdom was abolished in Russia — peasants were still largely dependent on the Baltic German nobility, which had little inclination to modernise its big landed estates. The region's historical role as a trade link between Russia and the other countries of the Baltic region and beyond had become more important as industrialisation transformed Europe. Riga, founded in 1201 and soon a key Hanseatic city, grew to become one of the most dynamic and cosmopolitan cities of the Russian empire, in the Baltic area certainly the most important after St Petersburg.

Riga's population
Dung

German and
two new
provinces
movement
creation of
briefly under
1918 was
Russia

The German
tary system
movement on
provinces
autonomy
in the Baltic

The opportunity
per at the
redemption
it had been
Latvia and
Jews and
and a part

Democracy
nationalism
independence
Racism
redemption

From the
provinces
from 1900
were the
tion in the
low, a small
ple of the
trials and

For the
Provinces
in 1917
but they
together with
German

Long time
the German
independence
man and
the history
man

Riga's population had reached half a million before World War I. 7

During World War I, Latvia's territory became a battleground for Germans and Russians causing considerable destruction. The collapse of the two powers at the end of the war allowed Latvian independence to be proclaimed on 18 November 1918. There was an active Latvian communist movement, which gave significant support to the Russian revolution and the creation of the Red Army. An independent Soviet Republic of Latvia existed briefly during 1918-19. After renewed battles, the end of the summer of 1920 finally brought peace for Latvia with Germany as well as Soviet Russia.

The independent Latvian Republic established a single-chamber parliamentary system. The president was elected by Parliament. A constitution modelled on the Weimar Constitution was adopted in 1922. Small parties proliferated until 1934, when Prime Minister Karlis Ulmanis established an authoritarian regime, concentrating power politically as well as economically in the state. He himself became both prime minister and president.

The population of Latvia in 1914 was 2.5 million, of which around 60 per cent were Latvians. Deaths, deportations and emigration drastically reduced the population during the war and the revolution. Even by 1935, it had only reached 1,950,000, of which 75.5 per cent were ethnically Latvian. The main minorities were 10.6 per cent Russian, 4.8 per cent Jewish, 3.2 per cent German, 2.5 per cent Polish, 1.4 per cent Belorussian and 1.2 per cent Lithuanian.

Despite the destruction caused by the war and the disruption of the traditional East-West trade, rapid economic recovery and growth took place. At independence, the agrarian sector employed 66 per cent of the population. Radical agrarian reforms in 1920 broke up large holdings of land. After the redistribution of land, the average size of a farm was 16.3 hectares.

During the interwar period cultivated land expanded and agricultural production increased as did its productivity. The number of cattle increased from 912,000 in 1913 to 1,278,000 in 1939, while the butter yield per cow went from 108 kilograms in 1913 to 130 kilograms in 1939. Grain production (rye, wheat, barley and oats) increased, but the average yield remained low, less than half that of the most efficient producers at the time (for example Denmark) but well ahead of Russia. The production of potatoes almost tripled from 1913 to 1937, and wheat production more than quadrupled.

Dairy farming assumed an increasingly important role in agriculture. Processed milk production increased from 35,600 tons in 1914 to 273,700 in 1927 and 542,590 in 1937. In 1914 Latvia produced 1,500 tons of butter. By 1937 this production had increased to 21,855 tons. Butter, together with meat production, provided the basis for export, especially to Great Britain and Germany.

Latvia had started to industrialise at the end of the nineteenth century, but the war had drastically reduced industrial production and employment. After independence industry was restructured to adjust to the loss of the Russian market, and by 1930, only 13.5 per cent of the workforce was employed in the industrial sector. The largest employer of industrial labour was the manufacturing industry, followed by the woodworking, food-processing and

period of independence, from
teen sense of national identity.
d language into the political
renewed independence.
ever, imply a lack of national
and Baltic tribes have inhabited
twelfth century onwards they
h to the sixteenth century the
rs, who established a Livonian
ts of present-day Estonia. Then
came under Polish-Lithuanian
Livonia. One century later, in
, as was Courland in 1795, to
endence was achieved in 1918.
erged and developed in Latvia
are connected to the German
ked as a pastor in Riga in the
collected Baltic folklore. The
particularly the abolition of serf-
ilities for the development of
traced increasing numbers of
y the idea of a separate national
widely. In 1873 the first song
n that has played an important
ational consciousness. Political
ussia and Western Europe with
sations were very active in the
Russian Baltic Provinces 1905
in the 1917 Russian revolution.
via's political independence was
culture and a rapidly emerging
f the first half of the nineteenth
abolished in Russia — peasants
erman nobility, which had little
es. The region's historical role as
ountries of the Baltic region and
s industrialisation transformed
a key Hanseatic city, grew to
opolitan cities of the Russian
st important after St Petersburg.

64 *An economic profile of the Baltic states*

textile industries. Latvia successfully produced certain high-technology goods such as radios and cameras.

The government pursued monetary and fiscal policies that stabilised the economy and enabled the introduction and support of a convertible currency, the lat (for an account of this successful reform, see Box 6.2). Export consisted first and foremost of agrarian products, followed by timber and wood. Trade grew steadily, except for a slump in 1929-30. As with Estonia, Latvia's main trading partners were Great Britain and Germany. Trade with the Soviet Union was very limited, and in 1938 the Soviet Union accounted for only 3 per cent of Latvian exports and 3.5 per cent of imports.

Latvia on the eve of World War II was that of a small, primarily agrarian nation, whose per capita industrial production lagged behind not only the most advanced European nations, but also for example Finland, though incomes were higher than in neighbouring Lithuania. Latvia was oriented to the West through trade as well as culturally and had a reasonably high standard of living. Meat and milk per capita consumption was high in comparison to other European nations. Improvements had taken place in all social spheres. Illiteracy levels and education levels ranked Latvia in the middle range of European nations. In terms of numbers of students Latvia ranked very high in the 1930s, apparently holding the first place in Europe in numbers of university students as a share of all inhabitants. Only Denmark published more books proportionally to population.

On 17 June 1940 the Soviet Red Army marched into Latvia. A new government was formed and elections were staged for a People's Assembly, which applied for membership into the Soviet Union. In August, Latvia became part of the Soviet Union.

Deportation started in 1940, and there were massive deportations on 13-14 June 1941. Estimates of population loss during the first year of Soviet rule range around 35,000, that is 1.5-2 per cent of the prewar population. The outbreak of war interrupted the deportations and the Soviets retreated in front of the Germans to return only in the summer of 1944. The losses in population and property during the war years were enormous. It has been estimated that 30 per cent of Latvia's prewar population were lost in deportations, executions, emigration, territorial changes, evacuations and mobilisation.

Sovietisation of all aspects of life started immediately and included an integration of Latvia into the Soviet political and economic spheres as well as cultural and linguistic russification.

The administrative structures created mirrored those in Moscow to which they were subordinated: a Latvian Communist Party with a First Secretary, a Council of Ministers with a Chairman and a Supreme Soviet, whose Presidium was headed by a chairman in a largely ceremonial post. In 1950, Soviet administrative units (*raiony*) were adopted.

Nationalisation started in July 1940. In industry, all factories with twenty workers or more were affected; commercial enterprises and banks were expropriated. Housing above certain limits was also nationalised. Fifteen per cent of farms were nationalised (those exceeding 30 hectares) and land redistributed to smallholders.

Non-Latvians started to arrive in large numbers — first as administrators and soldiers, later as labourers. The non-Baltic immigration during the first decade of Soviet rule (1945–55) has been estimated at 535,000. Over the years, the ethnic composition of Latvia has dramatically changed, and the perception of a threat to national survival was a major factor in the recent national consciousness revival and the independence movement.

Production in both agriculture and industry fell significantly from prewar levels. Industrial output only recovered to 1940 levels in 1950. In agriculture, grain production had fallen to 732,000 tons in 1950, from 1,372,000 tons in 1940 and continued to decline in the first half of the 1950s. The 1940 level had not yet been reached in 1960. The area of land under cultivation, yield per unit of land and number and live weight of farm animals all continued to decline during the 1950s.

Agriculture was collectivised by force. Massive deportations in March 1949 assured speedy compliance, and by December 1951 98 per cent of Latvian farms were collectivised. State farms were also created. Agricultural policies like the reorganisation of kolkhozes into larger units in 1950, compulsory deliveries of produce and the centralised control over technical equipment through the Machine Tractor Stations all contributed to subsequent problems in agriculture. After policies were liberalised, especially with the 1957 so-called *sovnarkhozy* reforms that allowed for greater local control, agriculture started to improve, and by the mid-1960s production had increased. The living standard of Latvian farmers was improving with a significant share of income on collective farms coming from the small private plots.

Agriculture has increasingly focused on animal husbandry. Many crops have declined in volume since the 1930s, as Latvia has imported increasingly large shares of the grain feed from the rest of the Soviet Union, while exporting meat and dairy products.

Industry and infrastructure developed according to central directives integrating Latvia fully into the Soviet economy. While accounting for little more than a percentage of Soviet output, the Latvian economy acquired significant importance to the Union, in particular because of the presence of some high-tech enterprises and because of the harbours and railways. Though a significant part of Soviet foreign trade passed through Latvia, the country as a Soviet republic was effectively cut off from other contacts with its neighbours across the Baltic Sea and the rest of Europe and the world. Instead, Sovietisation and russification continued. A considerable military presence further underlined Latvia's Soviet integration. Liepaja became an important naval base, harbouring Soviet submarines and other war ships, while Riga housed the headquarters of the Soviet Baltic military region.

B. Population, geography and natural resources

Latvia is historically divided into three regions: Courland (*Kurzeme*), south and west of Riga, on the Baltic Sea; Livonia (*Vidzeme*), the centre of the country including Riga, and to the north, bordering Estonia; and Latgale to

a stretch of land south, sometimes considered consisting of three stars.

ral significance while at ically often refers to an Estonia. The Livonian he end of the sixteenth edish and Russian rule, es of the present day n independent duchy in ogether with Latgale a velopments. While most racter, in the south and olic influence.

-day Latvia was part of ussia) and Vitebsk (in at administrative system replaced with a system luding that of handling

ople deserves mention. ditionally inhabited the Riga. Today numbering e their place in Latvian

quare kilometres (slightly r larger than such other nd Belgium.

Baltic Sea. The western- rn coast of Gotland off rders on Estonia and ussia and Belorussia. The i is 360 kilometres and 0 kilometres away.

12 metres — and 40 per ximately 45 per cent is is marked by numerous han 10 kilometres, their st river is the Daugava 20 kilometres, 357 flow

There are sixteen lakes he largest lake is Lake

natural resources. They or construction such as abundance of amber

The population of Latvia was 2,686,000 as of 1 January 1991, a density of 42.6 inhabitants per square kilometre. In 1989, 71 per cent of the population lived in urban areas and 29 per cent in rural areas. The population of Riga was 915,200. The seven most important cities are Daugavpils, Liepāja, Jelgava, Jūrmala, Rēzekne, Valmiera and Ventspils. The ethnic composition of Latvia's population is 52 per cent Latvian and 34 per cent Russian. Other minorities are Belorussians (4.5 per cent), Ukrainians (3.4 per cent), Poles (2.3 per cent), Lithuanians (1.3 per cent) and Jews (0.9 per cent).

The legacy of war and deportation deaths can still be seen in the gender statistics: men make up 46 per cent of the population and women 54 per cent. In 1990, 56 per cent of the population was of working age (16–59 for men and 16–54 for women), down from 58 per cent in 1980, while the older share of the population had increased in the period from 19 per cent to 21 per cent. The urban pensioner group has grown from 17 per cent in the beginning of the 1970s to almost 20 per cent in 1988. The natural growth rate of the population was 2.4 per thousand inhabitants in 1989 which is significantly lower than the Soviet average of 7.6 per thousand. The relative share of immigration in overall population growth was high; until it suddenly dropped in 1989 it represented between half and two-thirds of the total growth. The birth rate is low at 14.5 per thousand in 1989.

C. Recent political developments

Political repression under Soviet rule effectively contained all attempts at political and nationalist opposition. However, many Latvians did rise to positions of power. As in Estonia and Lithuania, many of these became leaders in the movement for political independence and total reform of the communist system, once Soviet *glasnost* and *perestroika* had opened the lid. The Latvian reawakening, the *atmoda*, has its roots in an opposition and consciousness that, of course, did exist throughout the period of Soviet rule. It first came out strongly in 1987, after which events moved very rapidly.

In June 1987, the dissident Human Rights' Group Helsinki 76 put forth a demand for Latvian political independence, and the gradual development of popular action was initiated. In June 1988, the Latvian National Independence Movement (LNNK) was formed. In June 1988 the Writers' Union made demands for democratisation and national sovereignty. Boris Pugo, first secretary of the Communist Party and Anatolijs Gorbunovs, CP secretary of ideology, participated. After some political discord, seventeen intellectuals headed by Writers' Union chairman Janis Peters signed a proposal for the formation of a Popular Front. Political disagreements threatened to split the movement, but finally the Popular Front was established as an umbrella organisation. At the congress in October 1988 the Popular Front demanded sovereignty and democracy. A language law making Latvian the official state language and the legalisation of the flag from independent Latvia were signs of the growing popular support for nationalism. In reaction to these developments Interfront was formed in October 1988 with the declared aim of protecting the rights of the 'Russian-speaking' population.

68 *An economic profile of the Baltic states*

As these events were taking place during 1988, conflict with Moscow was growing. In October the proposal for a new Soviet constitution, threatening to limit the rights of the republics, including the right to secede, sparked large protests by the Popular Front. Soviet Politburo members Chebrikov, Medvedev and Slyunkov travelled to the Baltics, ostensibly in an attempt at dialogue, while also indicating the gravity with which the Kremlin viewed the situation.

The intensification of conflict with Moscow only served to fuel popular support for the independence movement. During 1989 the Citizenship Committee, introduced by the LNNK, the environmental group VAK and Helsinki '76 group, started to register Latvian 'nationals' as citizens. The popular support expressed for the idea served to radicalise the Popular Front which shifted from the demand for autonomy to the outright aim of restoring independence. In the relatively free March 1989 elections to the People's Congress, the Popular Front won 32 out of 40 seats. In its second congress in October 1989, the Popular Front adopted a new programme, which stated independence as the goal of the movement.

On 23 August 1989, the anniversary of the Molotov-Ribbentrop Pact, a human chain demonstration through the three Baltic republics was organised as a protest against Soviet occupation. A few days later the Soviet Central Committee passed a resolution condemning it. Meetings and warning signals from the Kremlin during the autumn failed to stop the independence movement's development. Pro-independence and reform-minded Communist Party members formed a new independent party, splitting the Latvian Communist Party in April 1990.

In the free parliamentary elections held on 18 March 1990 the Popular Front won 66 per cent of the seats, while 29 per cent went to the Communist Party led by the very conservative Alfreds Rubiks. The remaining 5 per cent are held by independent deputies.

In order to pre-empt the new Soviet law on the secession of republics introduced in the spring of 1990, ostensibly clearing the way for secession but in fact setting up very demanding conditions, Lithuania declared its independence on 11 March 1990. On 4 May 1990 the turn came for Latvia to declare its independence, albeit with somewhat more caution, allowing for a transitional time period, during which the Soviet constitution was still valid, except for where it contradicted republican laws.

The momentum of the independence movement had arguably been unstoppable from even earlier in the process when national emotions pent-up for decades were allowed to resurface, but Moscow's hardening attitudes only increased it. The bloody January 1991 events in Vilnius and Riga rallied ethnic Latvians and non-Latvians alike around the 2 March poll on a democratic and independent Latvian republic. In the poll 87.6 per cent of the registered electorate voted, of whom 73.7 per cent supported independence.

From that time it was clear that Latvia, like Estonia and Lithuania, could be retained in the Soviet Union only by the use of military force. The Soviet Interior Ministry special OMON forces tried to spread fear through attacks in Riga and on newly erected Latvian border posts. The crumbling of

centralise
attempt
August
declaratio
independe
participa
later in c
statemove
Assembly
Lithuania

D. State

Who is
to poss
character
consiste
low in re
tries. In
together
complicat
ronics in
goods in
telecomm
likely to
foreign in
trade —
and Lega
hold per
export to
materials
links in

This is
approach
reform in

The po
to offe
(NME
roubles
of abou
output
about the
around
roughly
a GNP
rates in
much in

onflict with Moscow was constitution, threatening right to secede, sparked upro members Chebrikov, stensibly in an attempt at which the Kremlin viewed

ly served to fuel popular ing 1989 the Citizenship nmental group VAK and ationals' as citizens. The dicalise the Popular Front he outright aim of restor- 9 elections to the People's ats. In its second congress programme, which stated

lotov-Ribbentrop Pact, a ic republics was organised s later the Soviet Central etings and warning signals p the independence move- minded Communist Party ing the Latvian Communist

March 1990 the Popular nt went to the Communist The remaining 5 per cent

the secession of republics ring the way for secession ns. Lithuania declared its 0 the turn came for Latvia more caution, allowing for vrier constitution was still n laws.

had arguably been unstop- onal emotions pent-up for s hardening attitudes only a Vilnius and Riga rallied : the 2 March poll on a : the poll 87.6 per cent of : 3.7 per cent supported

roms and Lithuania, could : military force. The Soviet spread fear through attacks : posts. The crumbling of

centralised Soviet power accelerated, however. When the August coup attempt took place in Moscow, the Latvian Parliament immediately, on 21 August, suspended the period of transition provided for in the independence declaration of 4th May 1990 and proclaimed the country's fully restored independence. Within days of the collapsed coup (one of the coup participants having been the Latvian Boris Pugo, Soviet Interior Minister, later to commit suicide) Russia recognised the right of Baltic republics to full statehood. World-wide recognition followed. In September, the General Assembly of the United Nations voted to include Estonia, Latvia and Lithuania as three new member countries.

D. Structure of the economy

Wholly integrated in the Soviet economy since about 1950, Latvia has come to possess a quite diverse economy, though beset by all the problems characteristic of command economies. Income and productivity levels are considered high in relation to other parts of the (former) Soviet Union, but low in relation to Western Europe or even to the former East European countries. Latvia's agriculture and food industry is an important asset, which together with the forestry and wood industry, could become valuable components of independent Latvia's future exports. Manufacturing and electronics have made Latvia an important supplier of both consumer and capital goods to the Soviet market, for example, textiles, consumer durables, telecommunication equipment and heavy machinery. This industry is also likely to hold future potential but is in need of restructuring and substantial foreign investment. Transport infrastructure has made Latvia crucial to Soviet trade — Riga and Ventspils being two of the most important Soviet harbours, and Līpāja an important naval base. Transport and other trades services also hold potential to boost the country's future current account. Developing export earnings is crucial, dependent as the country is on imports of raw materials, energy and other inputs. The present structure of the economy links Latvia's economic future to the fate of the Soviet economy.

This reality has been an important factor in determining the pragmatic approach adopted by the Latvian authorities, as they seek to implement reform and regain the nation's economic sovereignty.

The paucity of Soviet economic statistics marks Latvia as well. According to official statistics, national income as measured by the net material product (NMP) was 7,301 million roubles in 1989. Per capita NMP was 2,722 roubles (compared with Estonian and Lithuanian averages in the same year of about 2,850 and 2,480, respectively). Neither being a measure of total output nor readily translatable into Western terms, this tells us very little about the standard of living. Based on the IMF estimate of a Soviet GNP of around US\$ 1,750 in 1989 and on the assumption that Latvia has an income roughly 20 per cent above the Soviet average, Latvia might be said to have a GNP of around US\$ 2,100. Translating NMP by using current exchange rates (in the region of 30 roubles to the dollar in mid-1991) would give a much lower figure, on the level of the poorest countries of the world.

und US\$ 400 million, to be annual payments would likely i-exchange earning capacity. never, again be considered as

n early stage, abrogating all . A new set of taxes has been price reform has been under-udget by a switch from price dependent budget has been ient in June 1991 on how andudget.

independence, the payment of Preparations for a number of ave passed Parliament, to be and excise taxes are meant to e intention is to replace the a value-added tax. The three , the income tax and the road enditure on road maintenance 37 per cent of the wage bill, social security fund. The new outcry among firms, state and seems a review is under way. e side of the budget does not ception is the substantial price orm, prices on meat, milk and ee times. A large part of the sation, generally to all wage and pensions.

the income side, the taxes are re than conjectures. There is ct Latvian laws and pay taxes ear that just a few months after ent stated that a deficit of 400 revised version of the budget

ons with the Soviet Union on tially demanded that a percent-ly to Moscow, while Latvia n Latvian hands, but a single pecific purposes. The Latvian is. Initial Soviet claims on the o an agreed payment of 350 be specified. The import and y, remain an unresolved issue.

F. The social situation

a. The nationality issue

There is one aspect of Latvian society that pervades all social questions: the issue of nationalities. In 1935, 77 per cent of the 1,905,400 inhabitants of the Latvian republic were ethnically Latvian, while 8.8 per cent were Russian and 4.9 per cent were Jews, the other nationalities representing fewer than three percentage points each. In 1989, there were 52 per cent Latvians, 34 per cent Russians, 4.5 per cent Belorussians and 3.4 per cent Ukrainians. In rural areas, 71.5 per cent of the inhabitants are Latvian, but only 44 per cent of the urban population is Latvian. For Riga, the numbers are very dramatic: 36.5 per cent Latvian and 47.3 per cent Russian. And in southeastern Latvia, Daugavpils has a 58.3 per cent Russian majority, while Latvians there represent only 13.0 per cent. That a majority in this city also voted for independence in the March 1991 referendum therefore carries great political significance.

The speed and volume of Russian immigration, together with low rates of assimilation to the local culture measured by such indicators as knowledge of the local language, has led to a widespread popular Latvian perception of threat to their national survival. In the 1989 census 66 per cent of Latvians reported mastery of Russian as a second language, while only 21 per cent of Russians reported mastery of Latvian.

Immigration to a large extent has consisted of blue-collar workers, so that only 36 per cent of industrial labour is Latvian. In railway transport and waterway transport the figures are even lower: 26 per cent and 11 per cent respectively. Meanwhile, the administrative apparatus was 56 per cent Latvian-manned in 1987 and the cultural and art field had 75 per cent Latvians. Thus the nationalities question is interwoven with socio-economic factors. The large all-union enterprises have a particularly high concentration of Russian workers, and ethnic tensions could easily intensify as a result of conflicts with Moscow or simply economic problems such as unemployment in specific sectors.

If Latvian popular nationalism is resentful about recent history, the Russian-speaking population often expresses fears about their future rights in an independent Latvia. Myths and prejudices exist on both sides, but apart from a few incidents in 1989, the level of ethnic tension in society has been low.

Some measures affecting the Russian-speaking part of the population have already been taken by the Latvian government. This includes the 1990 language law, according to which all workers in the administrative, service and health fields will have to know sufficient Latvian for their professional purposes by 1 January 1992. (The implementation of this plan has run into problems, however, owing to lack of qualified teachers, textbooks etc., and few people seem to believe that the law can be implemented on time without exceptions.) Through penalties and restrictions, the government cut immigration to the point where in 1990 for the first time in the postwar years there was negative migration. A law on migration is in the process of being adopted. A new programme of education is being worked out which

Berlin, Germany:

Lunch with German Women (Tuesday, July 12)

Same as above. The lunch will be held at Charlottenburg Palace, one of the most beautiful structures in Berlin. The host is Mrs. Kohl.

THE FIRST LADY'S SCHEDULE:
BACKGROUND INFORMATION FOR JULY TRIP

Latvia

This short stop in Riga represents a highly symbolic and dramatic kickoff for the President's July trip. It is an historic event -- this will be the first time an American President has set foot on Baltic soil. The theme of the Riga visit will be the continuing consolidation of a new post-Cold War Europe.

While in Riga, the First Lady and the President will be greeted at the arrival ceremony at Riga International Airport. She will accompany the President in the meeting with reception guests at the Stock Market Building, attend the Flower Laying Ceremony at Freedom Monument, the Speech at Freedom Plaza and the meeting and greeting with the U.S. Embassy staff from Latvia, Estonia and Lithuania. The First Lady is also scheduled to attend a Women's Brunch hosted by the wife of the U.S. Ambassador to Latvia.

Poland

The President's stop in Poland is intended to underscore U.S. support for the integration of central Europe's largest country into the transAtlantic community. Poland has progressed dramatically since pioneering the former communist world's transformation in 1989. It is at mid-point on its road to a stable market economy and democratic system. The President will discuss a number of economic, social and security initiatives including a proposal to provide technical assistance to the Poles in modernizing their health care system.

While in Poland, the First Lady will accompany the President at a welcoming ceremony at the Presidential Palace, a State Dinner hosted by President Walesa, Wreath Laying Ceremonies at the Tomb of the Unknown Soldier and the Warsaw Ghetto Memorial, and will attend the President's speech at the Polish Parliament Building (Sejm). The First Lady is also scheduled to attend a lunch and concert at the Villa Nova Palace with the wife of the U.S. Ambassador to Poland.

Italy

The President will travel to Naples for the G-7 Summit. In discussions with our G-7 partners, we will discuss the current challenges of growth and jobs, partnership with Russia, trade and other issues. We will stress renewal: a new global economy is emerging and the G-7 countries must go through a process of renewal to capture the benefits of this change and sustain support for a liberal international economic order.

In Italy, the First Lady will accompany the President to the dinner on Saturday evening at the Palazzo Caserta with the G-7 leaders. She will also participate in an event with the U.S. Embassy/Consulate staff and military personnel at Naples Airport.

While the President will be attending G-7 meetings during most the time in Italy, the First Lady will also visit cultural and artistic sites in the region.

Germany

The President will travel to Germany for bilateral meetings and a U.S.-EU Summit. The first trip by a U.S. President since the fall of the Berlin Wall, it will also be the last before the U.S. Army's Berlin Brigade departs in September. This visit will affirm our friendship with Germany and reassure the Germans about their critical role in global affairs. It will also help put in perspective Germany's exclusion from D-Day events.

In Germany, the First Lady will accompany the President during the arrival ceremony at Villa Hammerschmidt, attend an official luncheon at the Petersburg Guest House and a private dinner hosted by Chancellor and Mrs. Kohl at their private residence in Ludwigshafen (Oggersheim). President and Mrs. Clinton will also attend a U.S. military event at Ramstein Air Force Base and an arrival ceremony at Berlin Airport. The First Lady will also accompany the President at his speech at Brandenburg Gate in the former East Berlin, as well as a visit to the New Synagogue at Oranienburger Strasse and the Deactivation Ceremony of Berlin Brigade at McNair Barracks.

Mrs. Clinton is also scheduled to attend a tour and concert at the Beethoven House, tour the Museum of German History, speak at the JFK High School Commencement and attend a brunch with women at the Charlottesburg Palace.

WOMEN IN LATVIA

Women possess the same legal rights as men. The law requires that women may not be hired for certain jobs considered dangerous; beyond this, employment discrimination is banned. In reality, given the extreme competition for jobs and the potential cost of legally mandated child birth benefits, women frequently face hiring and pay discrimination, especially in the emerging private sector. Women apparently have not brought any discrimination suits before the courts.

Adult prostitution has not been outlawed; it is increasing and is often linked with organized crime. Reliable statistics on domestic violence against women are unavailable. Some cultural factors have fostered domestic violence often associated with alcohol abuse. Observers suggest that police are sometimes reluctant to arrest in such cases since the victims later often drop charges. No programs exist specifically to assist victims of domestic abuse, though normal government-provided health care and disability benefits apply.

The women's advocacy groups that exist are still small. They are involved in finding employment for women, lobbying for increased social benefits, and opposing army hazing of recruits.

The Labor Code provides for a mandatory 40-hour maximum workweek with at least on 24-hour rest period, 4 weeks of annual vacation, and a program of assistance to working mothers with small children.

LATVIAN ETIQUETTE

Throughout recorded history the Latvians are but one of the nationalities that, in greater or lesser numbers, have inhabited Latvian soil. Others have included Germans, Swedes, Poles, Jews -- and, of course, Russians. While significant portions of Latvia's current Russian-speaking population date from the era of Soviet control, there are also those whose ancestry goes back to Tsarist days, when Riga was one of the largest ports of the Russian Empire.

In The Baltic Revolutions, Anatol Lieven, without minimizing the political factors involved, notes that at least some of the frictions between Latvians (and Estonians and Lithuanians, of course) and Russians can be traced to the very different cultural styles between Balts and Slavs. The Balts who see themselves as cool, reserved, self-controlled and Western can appear cold, bloodless and condescending to the Russians; the Russians who pride themselves on the breadth and depth of their passionate intensity can strike the Balts as boorish or hysterical.

Predictably enough, therefore, the two largest cultures inhabiting Latvia do not have identical standards of what constitutes etiquette. The surest path for the visitor is probably to err on the side of traditional forms of polite behavior. Both cultures, Latvian and Russian, pride themselves on their hospitality, in which one is expected to produce one's choicest food and drink for one's guests. Small presents to one's host or hostess are always a sign of good manners, for Latvians and Russians both. (But never bring a bouquet with an even number of flowers, which many Central Europeans consider unlucky.)