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**RESTRICTION CODES**

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

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

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- b(1) National security classified information [(b)(1) of the FOIA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]
President Clinton will leave Washington on Thursday morning, July 7, visit Naples, Italy, Bonn and Berlin, Germany, and Warsaw, Poland, and return home the night of Wednesday, July 13. Each country is detailed chronologically in this report, although your pool traveled to the countries in a different order. The pace will be fierce. Thursday, July 7, is strictly a travel day. He spends July 8-10 in Naples, Italy, for G-7 Economic Summit (July 8-9) and G-7 plus one on Sunday, July 10. He flies on to Bonn Sunday night, to Berlin late Monday night, and to Warsaw Tuesday afternoon. Clinton returns to Washington Wednesday night.

FIRST LADY'S ROLE: The First Lady intends to accompany President Clinton for the entire trip, maintaining a separate tourist's schedule much of the time but appearing at arrival and departure ceremonies, official dinners and such events where her presence is "appropriate." Press aide Neel Lattimore led a separate party (Patty Solis, Kelly Craighead, and Sara Grote) advancing Mrs. Clinton's trip and was on a different schedule from pre-advance group. This skimpy info is based on a conversation with Neel in Berlin May 16. He said coverage generally will be pooled, and forecast a draft schedule of Mrs. Clinton's trip will be ready by Monday, May 23.

Since G-7's new leaner and meaner mode includes no separate spouses' program, Mrs. Clinton will do day-trip sightseeing in Italy including a possible trip to Pompeii. In Bonn she plans to visit museums, including the new art museum there, and perhaps do a castle-watching boat trip on the Rhine. Berlin also looked like museums and a luncheon with prominent women from the German community. She is not planning any legislation-related events, Lattimore said.
MISCELLANEOUS:

In a further effort to stretch those tight travel budgets, Anne Edwards is striving to repeat her triumph over ground costs in Russia et seq. She apparently is employing nuclear disarmament negotiators to set prices on filing centers, hotel rooms, transport and the like but none is yet finalized. The message is that cost to us is a consideration to the White House. She is confident of success at several locations, but stay tuned. (Check with her directly for details on such matters as electronic-equipment sharing. If you have to ask, I'm told, that doesn't apply to you.)

In connection with the above, traveling press always has priority when space or other facilities are limited, as space most definitely will be in the U.S. filing center at Naples. Second priority goes to non-travelers sharing space with traveling colleagues from the same company, Ms. Edwards said.

All phone installations will provide inward and outward service and international direct dial capability. AT&T's Ellis Kitchen says advance phone people will be on site five days before each arrival. He will be in Naples, not yet decided who takes other cities. USA Direct is, of course, accessible through local dial mode and up to 10 repeat calls may be made without talking to operator simply by hitting pound button (#). IDD allows computerized dialing without operators. Ellis warns of possible big expense item in Warsaw where satellite vendor proposes to charge $11 a minute. He is working on this and reminds us that putting in AT&T satellite system just for a day can cost each traveler $1,000.

PLEASE SEE SEPARATE COUNTRY INFORMATION FOR SPECIFICS. IF I CAN CLARIFY OR EXPAND ON ANYTHING, PLEASE CALL OR SEE ME AT THE WHITE HOUSE.

Frank Murray, Washington Times
202-628-1184

(Continued)
OVERVIEW (Italy)

President Clinton will participate in his second G-7 Economic Summit and hold bi-lateral meetings with G-7 leaders, particularly Japan's prime minister, then participate in "G-7 plus One" sessions and bi-lateral with Boris Yeltsin. This is billed as a foreshortened, low-profile event. The G-7 statement says: "The Napoli Summit will place its emphasis on the sessions and will be held in a simplified, businesslike manner." That means no recreational or entertainment preludes. Meetings begin formally with dinner of the Seven (plus EU) on Friday, July 8, with business sessions on Saturday, an economic communiqué Saturday afternoon (political communiqué timing ????), and adjournment after dinner Saturday night. Heads reconvene Sunday morning in Royal Palace, Naples, as "G-7 plus One" for work session and lunch with Boris Yeltsin. No major speeches planned nor is there to be a full G-7 press conference, as of this writing. Clinton expects to do joint press availabilities after bi-lats with Hata and Yeltsin. As usual, it appears that G-7 will be pool coverage throughout.

SCHEDULES

Firm scheduling not anticipated until Sherpas meet next on June 26. All times here are "notional" and are based on latest info from White House staff. Times are local. Italy is EDT+6 hours.

Wednesday, July 6, 1994

9:00 pm Press charter departs Andrews AFB enroute Naples, Italy
[flight time: 8 hrs, 30 mins, time change +6 hrs]

Thursday, July 7, 1994

11:30 am Press charter arrives Naples, Italy
(5:30 a.m. EDT)

[PRESS NOTE: Unusually early departure needed to put traveling press in Naples early. Final decision uncertain. Clinton arrives late Thursday night and has no events until Friday morning. Complications from seven delegations arriving in protocol order at relatively small Capodichino Airport force the situation somewhat. Office of Press Advance promises final solution will be "humane."]

8:40 am EDT MARINE ONE Departs White House for Andrews Air Force Base

9:00 am EDT AIR FORCE ONE departs Andrews AFB enroute Campodochino Airport, Naples.

11:20 pm PRESIDENT arrives Naples
(5:20 pm EDT)
PRESIDENT STAYS AT HOTEL VESUVIO, Naples waterfront (We are told French and Italian leaders also are staying at this elegant classic four-star hotel on the waterfront literally across the street from Castel Dell'Ovo.)

Friday, July 8, 1994

Times TBA Bi-laterals in Naples with leaders attending G-7 (Availability intended after Hata meeting, whenever it is held.)

2p-4p GREETING AND RECEPTION, CASTEL DELL'OVVO on shoreline of Naples harbor, directly across the street from Vesuvio Hotel.

8p-10p G-7 WORKING DINNER, CASTEL DELL'OVVO, Informal dinner hosted by the Italian President of the Council of Ministers.

Saturday, July 9, 1994

9a-12n G-7 PLENARY SESSION, PALAZZO REALE, Naples (Heads only/Economic)

1p-2:30p WORKING LUNCH (heads only) probably at HOTEL VESUVIO

3p-4p G-7 PLENARY SESSION (heads only), PALAZZO REALE

4p-5p G-7 PLENARY SESSION (heads/FOREIGN MINISTERS/economic ministers) PALAZZO REALE

8p-10p G-7 EXPANDED DINNER hosted by President Scalfaro, PALAZZO REALE, CASERTA (about 25 kilometers north of Naples)

Sunday, July 10, 1994

10a-12n G-7 + 1 MEETING, PALAZZO REALE, Naples

Noon-1:30p G-7 + 1 LUNCH, SITE TBD, Naples

TBA Press Availability with Yeltsin

4:15 pm THE PRESIDENT departs Naples via Air Force One en route Bonn, Germany. (Uncertain press departure dependent on the weight of scheduling demands in Germany, but needs to cover him in Germany may force press to continue filing-time there with arrival set for just after Noon Eastern Daylight time).

VENUES

CASTEL DELL'OVO (Arrival greeting and Friday G-7 dinner): This fortress at the water's edge is built on old Roman fortifications which were in turn built on Greek foundations (Old city is laid out in classic Greek city plan with two transversal roads and a pantheon and
is said to be the only one outside Greece on which plan remains obvious on contemporary maps. Naples derives from the Greek Neopolis, or New City. Original columns are visible in some locations inside this fortress where heads will meet for photos Friday afternoon and dine in the evening. The fort is reached by a stone causeway from the waterfront street, a bridgelike crossing lined by street lights and paved with ancient stones that are under the gaze of cannon aimed from fortress openings. (There is a small village at the base of its walls that includes several nice restaurants and a marina.) Although the fort defends a harbor on the seaward side, six of its cannon point towards the town and three command the approach road. Its name history (Castle of the egg) is fuzzy but the place once was the site of the city's egg market and there is a legend that as long as an egg balanced upright in the fort, the city would not fall. It has fallen several times since that legend originated and we saw no eggs standing on their noses.

PALAZZO REALE, NAPLES (Royal Palace. All G-7 business meetings plus some ceremonies): Principal palace of King of Naples [CQ king of Naples], monolithic red brick building about five stories tall, covered with scaffolds and drapes at our visit while workmen did renovations on a somewhat seedy exterior that covered a somewhat mildewed interior. It was begun in late 17th Century and completed in 1707 under guidance of House of Bourbon in anticipation of visit by Spain's King Philip III. His advance people must not have liked it because Philip never came. Charles III of Bourbon moved in on May 10, 1734, and began decorating the place with treasures from Rome and Parma. Palace came into Italian government hands on Oct. 3, 1919, to be employed as a national library and museum. It was severely damaged during WWII and was fully restored between 1950-54. A few government offices are on the top two floors.

When the words "grand staircase" were written the author had in mind the entries of this palace and its sister in Caserta (next item). There are 72 steps to top in Naples' version with a soaring ceiling that towers 50 feet above its top step. The House of Bourbon's blue is supplanted in many rooms by the reds of the House of Savoy, the subsequent tenants.

As a group, dignitaries will hold in the Bodyguards' Room adjacent to Throne Hall. Clinton's private waiting room is the Oratory, which is dominated by Andrea Vaccaro's striking but somewhat gruesome painting, "Slaughter of the Innocents." He'll never be alone. In the corner is a 19th century wooden altar behind which is a copper sarcophagus containing the remains of Maria Cristina, who was beatified after her death on Jan. 31, 1836. The main meeting room is about 50 x 100 feet. Its facing mirrors, perhaps 15 feet tall, reflect artwork that is everywhere and a domed ceiling, which like all the display rooms, has an elaborate mural.

PALAZZO REALE, CASERTA (Royal Palace. G-7 dinner Saturday night; possibly to be expanded to G-7+1): Set by request of Italy's president in palace of King of Naples [CQ king of Naples], at Caserta, Italy, the summer palace in a small city some 25 kilometers north. The location is far beyond the city's jet-age airport which is shared with the U.S. Navy. One story has it that the queen felt more comfortable further from Vesuvio's fulminations. Palace is now a
heavily visited museum. Bourbon King Charles II sought to equal Versailles in splendor and may have achieved it indoors and in the park on the one side, although the building is incomplete on the south. Architect was Luigi Vanvitelli. Palace is 829 feet long, 662 feet wide and 134 feet tall. It has 120 rooms and 1,790 windows. Many of its rooms are huge salons and galleries and it sports a chapel rivalling St. Peters. Like its sibling in Naples the grand grand staircase is a sight, an elaborately carved marble balustrade and 103 marble steps in one switchback under a ceiling that looked seven stories tall. Gardens are enchanting. Their "crowning glory" is the Great Cascade, a 75-meter waterfall at the garden's outer limits 3 kilometers from the palace.

Greeting here is in Bodyguards’ Room with reception in Sala di Marte (Mars Room) which is dominated by ceiling mural of God of war in full cry. Dinner in Sala del Trono, which has more gilt than Fort Knox. Vesuvio visible from its windows, albeit at a safe distance. Scaffolding was being erected and restoration done, particularly on the crumbly rust and white border of the inlaid marble floor and touchup gilding of angels twice the height of a man that dominate both ends of the room.

After-dinner entertainment will be orchestral performance in intimate Court Theater (Teatrino de Corte), a lovely opera house with five levels of boxes crowded around a small orchestra-level marble floor and a stage visible from every seat. Orchestra alone (no vocals) will perform a dress rehearsal of what is termed a "comic opera," playing 18th Century compositions by Domenico Cimarosa. Clinton and Francois Mitterrand expected to be hosted by Italy's president in his box.

NATIONAL MUSEUM (Suggested G-7+1 lunch site): Site will be the Sundial Room (Sala Meridian), named for an intriguing time-line inlaid in the floor and illuminated by the sun through a small hole in a high corner of the room. Through means that weren't explained the aperture is adjusted seasonally to illuminate the correct sign of the Zodiac and chronicle the time. Building was erected in 1585 as a stable, converted to a university and has been a museum since 1787.

FACILITIES

White House press hotels in Naples: Travel pool will stay at Hotel Vesuvio. Press will stay at Mediterraneo Hotel, a commercial grade hotel. Smallish comfortable rooms with hard-wired phones (no modular plugs) and rotary dials. Has minibars. No CNN or cable TV but cable is in the building and TVs will be available somewhere in hotel.

25 Via N. Ponte di Tappia, Naples 80133
Telephone: (081) 551-2240
FAX: (081) 552-5868

Filing center will be in a gymnasium (Naples Panathlon) adjacent to Royal Palace meeting sites and integrated with complex that also houses international press center and services for press (food, etc.). Power throughout Italy is generally 220 although some Naples outlets have 110, 50 cycle, but an adapter plug is necessary for these as
Workspace access for setup available as of July 3, but this date may change. Check with Anne Edwards' office on early access. As of now, entry will be through single conference entrance to Royal Palace which is a short ride from hotels and then a long walk inside to press quarters. It remains to be seen how difficult access will be. With present G-7 configuration (completely out of White House hands, we were told) it will require a healthy walk that includes a very steep driveway-like ramp of perhaps 200 feet to enter and leave (and which looked negotiable by goats and Jeeps). Walking down was rough, even emptyhanded. (Wear rugged flat shoes.) Air conditioning will be installed temporarily and we were assured that amenities like water (and other real luxuries) would be available. Phone lines will allow local calls as well as international and be set up to receive calls.

As indicated in trip overview, traveling press will have priority on space and other facilities in the U.S. filing center at Naples, Anne Edwards tells your pool.

MISCELLANEOUS

Italy is pulling out a lot of stops for this meeting, including the unusual step of providing at no charge to press or delegations all needed phone lines and telephone instruments plus data ports for the press. This includes free installation. Only the toll charges will be billed.

The host government also provides each national delegation with a second-floor office containing the following: up to nine cars, four direct outside lines, 4 extension phones, a hotline, two fax machines, two personal computers of which one is on-line to G-7 Secretariat, and one paper shredder. It also will make available two 50-passenger buses and three luggage vans to transport delegations from the airport. Motorcade limit will be 15 vehicles.

Lunches and dinners will be provided for journalists at the Royal Palace press center (very close to U.S. filing center).

Tipping suggestions: At least 5 percent for waiter since 12 to 18 percent service charge on bill is for the owner. Taxi drivers get 10 to 15 percent of meter. Porters expect 2,000 lire per bag (a little over $1). Concierge should get 10 percent of any bill you run with him for tickets, tours or such.

Holding the event in Naples (both previous Italy summits were in Venice) is said to be an effort to focus attention on attractions of Naples, whose name derives from the Greek Neopolis ("new city"), and a reawakening of the city's cultural heritage among Neapolitans. "There's all these treasures here and people don't know about them," said a culturally plugged-in American diplomat. The city also is the birthplace of pizza, which was invented here and reputedly popularized in the United States by homecoming GIs after WWII. Even the best restaurants usually include it on the menu.

The July date puts G-7 in a hot, humid climate with rainfall common. Sorrento and Capri are nearby with frequent ferry service, about 45 minutes by hydrofoil. Recommended by those who've been.
While Naples is doing all this, however, Italy is once again doing the usual G-7 dance of demanding that pools number about three people and generally cutting down access to the leaders. White House was working on this and making some inroads, as usual, but it remains to be seen how effective they will be in lowering barriers overall.

VOLCANO NOTES: On most days Vesuvio's two peaks are visible from Naples but can be obscured from hour to hour by the frequent fog, haze and what looked and smelled like smog. It is the only volcano still active on the European continent. There is a road to the crater for tourists. Pompei is about seven miles beyond the volcano in a valley that carried the lava to the sea; hence its quick burial after the hot ash engulfed the city of 10,000 or so and stopped everything in mid-meal. The last eruption was in 1944 and lasted into 1945, sending sparks into the sky that served as a beacon to pilots of allied bombers. An observatory halfway up the mountain (white buildings visible from Naples) monitors core temperatures and ominous rumblings. The center, which has monitored the volcano since 1850, promises to give two months warning of an eruption. But Embassy folks told us the volcano-watchers recently moved to offices in Pozzouli, along the coast on the far side of Naples from the volcano. That left test gear in place but placed personal gear out of Vesuvio's reach. This has many wondering about the confidence level of its predictions.

The Naples area also is virtually on a fault line that has produced earthquakes. One of the main earth plates collapsed when molten material flowed out during Medieval times, taking buildings down intact in what is now a Scuba divers' destination 20 minutes north of Naples. Some call this underwater city the source of Atlantis mythology.

Latin scholars may find time to visit Virgil's tomb in Naples.

Wine lovers (who think by the case instead of by the glass) are advised by cognoscenti to visit Enoteca del Buon Bere, at the corner of Marino Turchi and Gen. Giordano Orsini, a few blocks from Hotel Vesuvio. Variety is said to be unusually good and includes some not seen in U.S. stores, quality is high, and case goods are available with prices ranging from $7 a bottle for good stuff to $11 or $12 for superior.

Leaders and press alike will be doing a lot of walking, climbing, steps, ramps, etc. Take good shoes and practice wind sprints. On some days breathing is a bit tough in Naples (and later in Warsaw).

Non-violent crime and the cascade of traffic, which is totally violent, are notoriously bad in Naples. The advice is: Don't carry valuables in sight, leave behind things you can't bear to part with, don't resist a robber. If you decide to give money to a beggar, don't show that which you don't intend to give. Counterfeit U.S. $50 and $100 bills are epidemic. Despite the Bosnian conflict, terrorism risk was classed as "medium" by Embassy notice to personnel. Press hotels and conference site will be inside special police zone established for the Summit, so warning applies more to the rest of city. It occurred to some among the pre-advance party that crime comparisons may not
take into account conditions in places like New York or Washington and may seem mild to denizens of those cities.

Traffic is fierce, however, and getting around is purely a thing to behold. Self-destructive people might want to sell life insurance to Neapolitan pedestrians or scooter-drivers. These people plunge in where fools, etc..... Look both ways when crossing, even when crossing one-way streets. Never show fear; the drivers sense it and come after you.

Political demonstrations are frequent in Naples and may not be interfered with. It is a crime to even attempt to cross the marchers' lines on foot or in a car.

Serious runners tell us a jog in Naples can be a tough. They suggest limiting it to 20 minutes because of pollution. Go early and enjoy the water views. Leave no jewelry visible except perhaps the most basic timepiece. Because of sex crimes in some areas, women are advised not to place themselves in jeopardy by jogging alone in darkness in isolated locations.

Food is great. Be warned: Spaghetti and clam sauce and antipasto are only the start of a meal. Seven courses and half a bottle of wine are the norm, although they will substitute mineral water for the same price. There is a midafternoon siesta (1:30ish to 4ish) when most things shut down although there are enough exceptions to make a stroll worthwhile.

Tap water is said by Embassy to be safe but bottled water is used widely.

Dollar moved 1 percent from 1,605 lire to 1,591 overnight while we were there. It takes a wheelbarrow to haul money around.

Naples city population is 1.2 million with 3.5 million in Naples province. It is the business hub of South Italy, a region called the Mezzogiorno.

Emergency numbers:
Fire: 115
Police: 112
Police (non-emergency): 794-1111
Ambulance (day): 752-0850
Ambulance (night): 752-0696
OVERVIEW (Germany)

In two tough days President continues the Helmut Kohl European Tour with visits to Bonn and Berlin, where he intends to become the first U.S. president to enter the East Berlin zone since WWII (we are told even Truman didn’t set foot there but this was not verified), deliver a major address at Brandenburg Gate and preside over deactivation of the Berlin Brigade, a central player in Berlin during the Cold War. He plans to visit a historic synagogue site spared on Kristallnacht but ravaged in 1943 by bombs. There also will be meetings with Helmut Kohl (with whom he will have just spent three days in Naples) in both Bonn and Berlin as well as a possible (tentative maybe) visit to Kohl’s family home at Oggersheim. When not bonding further with his buddy Kohl, Mr. Clinton will visit with a market crowd from the steps of the old Rathaus (City Hall) which is in an Old Town plaza. Bonn’s federal area is typical boring government city. Shopping zone is busy with modern stores and traffic is banned to its perimeter.

U.S. Ambassador Dick Holbrooke characterized the importance of the president’s trip in farewell comments to the survey party at the Reichstag. "What makes this trip different from the Kennedy, Carter and Reagan trips is not just that Berlin is unified but that the message is different. ... When they came the East and West were separated and the Wall symbolized it. These buildings where these meetings take place impose a historical obligation that this time we do better. We can understand what history did to Europe, starting from this exact spot."

"...We’re glad it is Bill Clinton who will make that walk through the Brandenburg Gate," Holbrooke said.

SCHEDULES (rough estimates)

Sunday, July 10, 1994

6:15 pm AIR FORCE ONE arrives Bonn, Germany (Very probably later)

TBA President dines with Chancellor Kohl. (Possibly at the chancellor’s family residence in Oggersheim or at the ambassador’s residence.)

11:20 pm ARRIVE RON location, Bonn, Germany, Petersberg [cq] Guesthouse at Konigsburg.
Monday, July 11, 1994

10:30 am  WELCOMING CEREMONY by new German President, Villa Hammerschmidt, Bonn.

11:00 am  THE PRESIDENT departs (possibly on foot through gardens) en route meeting with Chancellor Kohl at nearby Chancellery.

11:15 am  MEETING WITH CHANCELLOR KOHL AND CABINET, Chancellery.

TBA  Possible press availability on lawn behind Chancellery (weather permitting).

TBA  Visit at old Rathaus (Town Hall).

TBA  GREET AMERICAN COMMUNITY PLITTERSDORF/US EMBASSY possible sites

2:45 pm  Private time at hotel

TBA  MEETING WITH OTHER GERMAN OFFICIALS, Petersberg Hotel

8p-10p  OFFICIAL DINNER hosted by Chancellor Kohl, Petersberg Guesthouse (Business suits).

10:05 pm  MARINE ONE DEPARTS enroute Bonn-Cologne airport.

10:30 pm  AIR FORCE ONE DEPARTS Tegel Airport, Bonn, Germany en-route Berlin.

11:30 pm  AIR FORCE ONE arrives Berlin

Tuesday, July 12, 1994

TBA am  SIGN Berlin's Golden Book at City Hall.

TBA am  PRESIDENT MEETS with Chancellor Kohl and Economic Union President Jacques DeLors, REICHSTAG (photo op, closed bilaterals, possible press availability afterward) Most will be pooled.

1 pm  ADDRESS BY THE PRESIDENT, Pariser Platz at Brandenburg Gate. OPEN PRESS (NOTE: Traveling correspondents will be located near president's speaker stand and pool stands at spots to facilitate exit afterward from what is expected to be a throng for those wanting to cover McNair Barracks event in person as well, Ms. Edwards says.)

TBA  VISITS Jewish Center at Neue Synagogue on Oranienburger Strasse. (Pool coverage while press corps relocates to next event.)

3-3:30 pm  Ceremony deactivating Berlin Brigade, McNair Barracks. OPEN PRESS.

4:20 pm  THE PRESIDENT departs Berlin via Air Force One en route Okecie Airport, Warsaw, Poland.
NOTE: Because of filing time and close connections after open press events in Germany, tonight's coverage in Poland may be entirely pool with a second pool sent ahead on backup Air Force One after Brandenburg Gate event to be in position.

VENUES (Bonn)

KOHL FAMILY RESIDENCE, OGGERSHEIM: (Not surveyed this trip. Pooler's previous visits were at a rather modest private home close by its neighbors on a normal street in the chancellor's home state of Palatinate. Usually a press stand is set up on opposite side of narrow street for press availability afterward and little chance of indoor contact there. I believe it is law that it must rain on such occasions.)

VILLA HAMMERSCHMIDT: President arrives at far end of gardens from house which is called the German "White House" for its color and function as presidential residence. During military ceremony, Clinton and president (yet to be elected but conventional wisdom says Herzog, now president of federal court) will stand alone near the car during anthems, then walk through gardens past fountain across red carpet on cobbled courtyard. Two flagpoles at their right while walking bear German and US flags. The house front is rather plain but there is a dramatic balcony above the front door. Schoolchildren likely to be among invited crowd of 200 or so in secure area for the 10-minute ceremony. House takes its name from a millionaire who bought it in 1899. Other presidents have been to Villa including JFK who attended ceremonies there establishing the German Peace Corps.

CHANCELLERY: Kohl meets Clinton at photo op out front unless they choose to have him meet him in the gardens at gate in the fence separating Chancellery from Villa Hammerschmidt. Nice walk on a nice day. Press stand out front of the building and small pool would go inside for photo op at start. This 1976 structure is typical German geometric architecture, lots of glass and right angles in a three- story aluminum building of bronze color within a highly secured complex of identical buildings including the parliament's present home. It has 240 rooms, a pool, gym, restaurant and library, plus underground garage for 350 cars, and houses about 420 of the Chancellor's staff.

BONN RATHAUS (City Hall): The stairs of this building have hosted speeches by only two foreign leaders in the past, Charles deGaulle (1962) and John Kennedy (1963). Queen Elizabeth II visited in 1965 and 1978. In 1989 Mikhail Gorbachev did his thing there. The present building was erected in 1737 and restored in 1949 from WWII damage. Clinton will first meet Oberburgermeister Hans Daniels in a large studio with a fireplace and sign the ubiquitous Golden Book which is the third for this city since the custom began in 1926. In addition to Kennedy, Presidents Carter and Nixon visited and signed during their trips to the wall as did former President Truman. Mr. Carter's daughter Amy distinguished herself by drawing a picture of Mickey Mouse, which remains unique. Clinton's picture may be added to the collection that already houses Corazon Aquino, and the leaders of Malaysia, Spain, Netherlands, Japan, Jordan, and Saudi Arabia. Germans told us about 10,000 people can fit into the market square outside. (Aging White House advancer questions that number.) The
building is pink and gray with bright gold trim and has a clock that
works above the door. The front entrance is regal and has a balcony
and wrought iron rails about 15 feet above the crowd. Not likely to
be in the pictures are the restaurants that flank it (German on the
left and on the right a Chinese and a creperie).

PETERSBERG GUESTHOUSE: This isolated high-on-a-hill guesthouse
(Gasthaus) is used so often for foreign visitors that photo-op lights
are permanently installed. It is at Konigswinter, across the Rhine
from Bonn. There are million-mark views of the Rhine from up there
and the ballroom alone has 17 floor-to-ceiling windows. It may still
be light at 10 p.m. when the president visits. From the glass-walled
rooms or outdoor plazas you can see the flatlands along the winding
river to the north or the castle-studded mountains to the south. A
glider soared at an altitude below where we stood. Clinton would use
Suite 500, the Berlin Suite. Outer rooms were heavily marbled with
chairs arranged in conversational squares around coffee tables.
Little decor but great view of castles to the south. Even the
elevators are glass all around. In addition to the government
guesthouse (acquired in 1979), there is a hotel in the other wing with
about 70 rooms. Grounds at the peak of a heavily secured hill. First
opened in 1892, was seat of Allied High Commission until 1952. Shah
of Iran, Queen Elizabeth II and Secy. Gen. Brezhnev stayed there (not
simultaneously). It has closed at times but has been open again since
1990.

VENUES (Berlin)

REICHSTAG: Parliament completed in 1894 and now used for conferences
and occasional caucuses of the Bundestag. It was rebuilt from war
damage in the 1960s and reopened in 1971. Public Act of Unification
was signed on its steps Oct. 4, 1990, and later that month it was site
of first reunified Bundestag meeting. That parliamentary role becomes
permanent again when Bundestag moves back from Bonn in the next five
years (Berlin already is the national capital, but government’s still
in Bonn). Hitler’s appointment as chancellor was done there on Jan.
30, 1933, followed by the Feb. 27, 1933, Reichstag Fire which was the
pretext for abolishing democratic rights. Reichstag official says it
was not used officially by Nazis. As with most buildings older than
1945, the scars of bullets and bombs are clearly visible. Red Army
raised Soviet flag from a corner tower of the Reichstag in May 1945,
signalling the end of the battle for Berlin. It is just a few feet
inside West Berlin and less than a block north from Brandenburg Gate.
Presidents Truman and Reagan and Kennedy have visited the site but it
still had holes in the wall and the dome was girders when Kennedy got
there in 1963, we were told.

Its interior is strikingly (discordantly?) modern, starkly white.
Chrome is the dominant theme and a huge chrome and Porsche red mobile
hangs from the three-story ceiling in the 70-foot x 70-foot main entry
hall whose eastern wall is glass and overlooks the parliamentary area
from behind the speaker’s platform (a visitor there is looking over
the presiding officer’s shoulder at the delegates.)

BRANDENBURG GATE (BRANDENBURGER TOR): (Site is Pariser Platz at whose
center stands the Gate and which is some 100 feet from where American
Embassy once stood, and where its replacement may be built as German
Clinton's chance for oratorical greatness occurs at a former tollgate in what was East Berlin. The Brandenburg Gate, which was entirely within the East zone, was completed in 1791 as a tollgate for King Frederick William II. It is crowned by a four-horse chariot sculpture (Quadriga) that faces east. Napoleon's troops marched through in 1806 after defeating the Prussians. After Waterloo in 1815, the Prussians reversed the roles. And it was there that storm troopers marched when Hitler assumed power in 1933. During the Occupation it was a major crossing between East and West Berlin but that ended when it was walled off by the Berlin Wall in 1961. On Nov. 9, 1989, it was the focal point when the Wall was opened and crowds began chipping it away.

One scenario has Clinton walking about one block from their previous event at the Reichstag, and through the gate's center arch to a speaker's stand at what would be the north side of the street, just off center from the gate and far enough away that it would tower over them in photographs and TV shots. Only taxis, buses and pedestrians are allowed through the gate now and traffic all uses the center arch, one way at a time. On an ordinary day the scene has a somewhat circusy atmosphere, complete with organ grinder. Tourists mill about taking pictures and patronizing the slew of souvenir stands (all offering pieces of the wall with suspiciously bright paint on them).

NEUE SYNAGOGUE: Clinton may tour construction of Jewish Community Center at site of Oranienburger Strasse Synagogue in eastern Berlin. The synagogue facade (Neue Synagogue when it was opened on May 9, 1866) has been declared a historic monument by the city government and German governments have put some 80 million DMs into reconstruction (about $50 million). Our host for interesting survey was a colorful story-teller named Konstantin Munz, a mid-fortyish redhead with heavy red beard who is a director of the restoration work. He said the synagogue was spared from 1938 Kristallnacht pogroms by intercession of district police commissioner Wilhelm Kreuzfeld (or Krutzfeld), who told firemen at the point of a gun to put out the flames. On the night of Nov. 9-10, fires destroyed 2,675 synagogues in Germany including the other 116 in Berlin. The Neue Synagogue was set ablaze but was saved when Kreuzfeld ordered firemen to put it out and it was in use again on April 2, 1939, the first night of Passover. After the last service, on April 13, 1941, the synagogue was seized by the German Army to store uniforms. It was heavily damaged in a November 22, 1943, air raid by the Royal Air Force. "You must know I'm happy at this bombing," Munz said, since it was aimed at hastening the end of the war. The attack did great damage to the synagogue's nave (if that is the right word), which was about 300 feet long and 100 feet to the roof. That main portion was taken demolished in 1958 for unexplained reasons. The front portion, which housed the dome and meeting rooms, was heavily damaged on upper floors but basically spared because the Germans had added a concrete ceiling and used the front rooms for air raid shelters. "Bombs fall from the sky, after all," Munz said, explaining why damage was more severe on upper floors. The few original decorated frieze reliefs or ceiling panels,
or portions of them, remain in dark red or other colors while all restoration is in pale white or beige to show visitors the extent of the damage. An ornate old pillar will stand next to a plain steel or plaster support. "My grandchild must see what was done," Munz said. "We want a sign, where we are, what we are. ... We are not Jewish people in Berlin, Germany. We are German Jews."

The 19th Century synagogue, which seated 3,200, was in the traditional Jewish Quarter and was a center of Jewish life and culture in the city. It claims to have been the first to include an organ. It was the site of a violin concert by Albert Einstein on Sept. 29, 1930.

GDR (East Germany) began rebuilding the synagogue in 1988 as part of what U.S. background papers call an attempt "to underline its denial of responsibility for Nazism and the Holocaust." Construction due to continue through 1995 although parts of the building are in use. (Munz said government money is used only for exterior construction with donations from elsewhere throughout the world going for inside work. He said that money is one area in which Germans can express what he called "feedback" about what happened before Auschwitz. "Money is a good point on which to talk.") Pillars are for position only and do not bear the weight of the new roof. Surviving rooms on first of three floors were main entrance hall, the men's vestibule, and the marriage room. Virtually all above that is rebuilt with just scraps of the original in place. The back wall of each floor is all glass, looking out on the football-field-sized area that once housed the main congregation. Today it is not yet a synagogue again, however, and has no congregation or minyan of its own. It is an educational center for adults and community center -- "a communication point for Jews in the city, a place people can talk together." "It is a small address. God at this moment in this city doesn't need a big address," Munz told us. Its community is 10,000 Jews, mostly immigrants from the former Soviet Union and about 3,000 Germans. Before WWII, there were 173,000 Jews in Berlin. Now the communities of Berlin Jews in New York and London are larger than in Berlin, he said. The community center also houses archives of Jews in the former East Germany. The completed building will include a 20-foot by 20-foot synagogue chapel on the third floor. Asked if the institution's Torah was saved, Mr. Munz (not a rabbi) said that 76 of the scrolls were saved (he attributed 68 of them to intervention by a trash-collector who picked them out of a dump and took them in 1943 to a rabbi holding forth from a Jewish cemetery). "One can't be too certain which came from which and we believe one is ours. One Torah roll was taken from our synagogue and no one can say we are not correct."

NOTE: When your pool passed Oranienburger on Saturday evening, there were barricades around the entranceway and several police stood outside, some wearing bulletproof vests and carrying automatic weapons. Embassy people said it was not a normal thing. Mr. Munz tells us they have been there since April because of bombing attacks and threats elsewhere in Germany, but not at Neue Synagogue. While we were there, police on the guard detail freely acted as tour guides for German tourists, pointing out items of interest on the outside and explaining the reconstruction. Visitors are not permitted inside.
is very ceremonial inside with stained-glass windows, photo displays, etc. The balcony from which Hitler spoke to Berliners looks out on a park area dominated by a large electronic Coke billboard. The ceremony likely would take place in a hall used for nothing else and which accommodates about 200. It also has permanent press stands for 40, eight stained-glass windows each marked for a district, and a stage with table for signing and lectern for spreken.

FACILITIES


One interesting innovation. Guest room keys also needed to summon elevator and to work controls inside (when card is swiped your floor lights up and elevator won't stop at other floors).

Scandic Crown
2 Berliner Freiheit
Bonn 53111
Telephone: (02 28) 7 26 90
FAX (02 28) 7 26 97 00

Maritim Hotel Bonn
Godesberger Allee
Bonn 53175
Telephone: (02 28) 8 10 80
FAX: (02 28) 8 10 88 11

In Berlin, press stays at the Schweizerhof Intercontinental across the street from the Intercontinental itself, perhaps the president's RON, and whose new conference center will house the press filing center. One convenience note: charges to your room at either hotel may be signed for at either hotel. Schweizerhof is a middle-age hotel, more European than is the Intercon, and sports Chaine des Rotisseurs plaque and offers CNN, hair dryers, modular phones in some rooms (with old German plugs) and mini-bars.

Schweizerhof Hotel
Budapest Street
Berlin 10787

Intercontinental
2 Budapest Street
Berlin 10787
Telephone 49 (30) 26020
FAX: 49 (30) 260 28 0760

MISCELLANEOUS

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Don't count too heavily on using credit cards in German restaurants or stores outside of hotels. Though Visa won't like it, many don't take Visa, MC or Amex. Nicht.

On the off-chance that anyone gets a lunch or dinner opportunity in Berlin, I can recommend an outstanding German restaurant (low prices, great food and beer, and just the atmosphere I hoped for, mitout music), the Zur Letzten Instanz (The Last Instance) which claims to date from 1621 and be the oldest pub in Berlin. It is a block or two from the Rathaus (City Hall) which is in the old East Zone. Like many restaurants, an English-language menu is available on request.

Please note that German hotels have modular phones with one of two German plugs, old or new. (Poland and Italy have RJ-11s like the U.S.) Suggest adapters for those planning to log-on from hotel rooms.

Also note, at the risk of branding myself some kind of a puritan, some men and women planning to use the saunas in Germany might prefer not to be surprised to learn that nudity in them is co-ed.

This is a triple-election year for Germany (not counting the June 9 European election). For those interested, the presidential election in late May by an ad hoc group called the Bundesversammlung (something of an Electoral College assembled from 662 federal parliamentarians and 662 persons elected from the states). Chancellor comes from the fall elections and there are local elections.

Decision on when to move government from Bonn to capital in Berlin remains uncertain, but is expected in 1998. The national political decision is tied into embassy relocations as well as new uses for federal center in Bonn.

Jogging in Bonn is fine, widely done. Hotel is not far from Rheinaue Park, which has excellent running paths along the Rhine River. No info on jogging in Berlin but watch out for bike paths, which are jealously guarded by the wheelies.
OVERVIEW (Poland)

The president will make a bilateral visit to Poland, which occurs during the meeting of the Visograd countries (the Czech Republic, Slovak Republic and Hungary), so he will attend a reception for people at that meeting as well. He also will address Parliament, join with AFL-CIO President Lane Kirkland in visiting a job retraining center, press the flesh, lay wreaths and hobnob with the president and prime minister. He comes at a time when political dissatisfaction is running high among those impatient that they haven't achieved the instant prosperity they expected with their freedom. Although stores are full of consumer goods, many high-ticket brands of the Fifth Avenue variety (including a Cartier's), ordinary people don't earn a great deal yet with $50 a week not unusual. Unemployment is high (officially about 16 percent, although that figure is considered inaccurate) and concern focuses on the costs of pensions and reform. Walesa faces the question of the extent to which his government can offer social protection while undertaking economic reforms. Poles are said to look to Clinton's visit "for signs we're [U.S.] going to continue to be involved" including more access to U.S. investment. He will be expected to remind them that change is not without cost but that the U.S. remains committed. City is clean and cosmopolitan although you may see the mother of all flea markets at the sports stadium.

President Walesa has split from his base in Solidarity (which demonstrated May 12 and threatened general strike in two weeks). Polls rank his popularity very low (16 percent or so with negatives ranked about 46 percent). Elections due in 1995. Walesa also remains at odds with Parliamentary leaders over his power to appoint three key ministers (Defense, Interior which includes police, and Foreign Affairs).

Virtually all of Warsaw was bombed into oblivion before end of WWII. ("Make the rubble bounce," Hitler is reputed to have ordered after his troops withdrew following the bloody Warsaw Uprising by ill-fated Poles while Russian troops waited across the Vistula River before moving in for the kill.) That WWII historical perspective works its way into daily life more often than elsewhere in the world. The city is new and modern although many buildings including "Old Town" were rebuilt the way they were with the bricks from the rubble.

SCHEDULES

Tuesday, July 12, 1994 (All times estimated, locations may change)

NOTE: Because of filing time in Germany while president leaves quickly, tonight's coverage in Poland may be entirely pool with a few more press sent along on the backup Air Force One after Brandenburg Gate event to be in position.
5:30 pm THE PRESIDENT arrives airport, Warsaw, Poland (without Helmut Kohl).

6:00 pm THE PRESIDENT and Mrs. Clinton arrive Belvedere Palace, Warsaw. Military and government welcoming ceremony. Welcomers include President Walesa and wife, foreign minister, secretary of state, Warsaw's mayor, parliamentary officers, diplomatic corps, Honour Company of the Polish Army (honor unit actually includes Army, Navy and Air Force), and the Polish Army Orchestra. Hillary gets flowers, national anthems are played and two presidents review honor guard.

6pm-7pm BILATERAL MEETING WITH PRESIDENT WALESA, Belvedere Palace.

Pool photo at beginning


8-10pm OFFICIAL DINNER HOSTED BY PRESIDENT WALESA, Royal Castle (business dress, not black tie).

President probably overnights at Marriott Hotel, Warsaw, although could end up at ambassador's residence.

Wednesday, July 13, 1994

TBA WREATH LAYING CEREMONIES AT FOLLOWING:

* Tomb of the Unknown Soldier
* Monument to children who fought in Warsaw Uprising (50th anniversary Aug. 1)
* Warsaw Ghetto monument.

TBA ECONOMIC EVENT with Lane Kirkland, tentatively at the Polish-American Building Crafts Training Center.

TBA PRESIDENT MEETS with Prime Minister Jan Krzysztof Bielecki, Council of Ministers Building or Pawelak Castle (if not at Parliament).

11:30 am-1 pm President addresses Parliament and diplomatic community, Sejm. Meets with ministry officials.

TBA Reception or luncheon with Central and Eastern European ministers (Visograd nations and possibly Baltics). Belvedere Castle described as likely site.

tbd GREET AMERICAN COMMUNITY

5pm AIR FORCE ONE DEPARTS Okecie airport, Warsaw, Poland, en-route Andrews Air Force Base [flight time: 9 hours, time change: - 6]

8:00 pm THE PRESIDENT arrives Andrews Air Force Base

8:20 pm THE PRESIDENT arrives White House
VENUES

BELVEDERE PALACE: Classical building built 300+ years ago and the ceremonial residence of the Polish president. In 1765 it was the residence of Poland's last king (Stanislaus Augustus) and has housed its viceroyos, dukes, and marshals. (Not surveyed.)

TOMB OF THE UNKNOWN SOLDIER: When the Saxon Palace was blown up by retreating German soldiers in 1944, a section of colonnade with three arches remained. The pillars atop its railing were snapped off. The tomb is within the center arch that now dominates Pilsudski Square, which during the WWII occupation was renamed Adolf Hitler Square. The body is said to be that of a student who fell in Lwow in the 1920 Polish-Russian War. Urns in the tomb also contain soil from battlefields on which Poles have fought and plaques on its walls list the major battles of the last thousand years (since 972). A flaming torch stands at the head of the tomb which was covered with wreaths when we visited. Two honor guards, tall young men in plain olive drab uniforms and spit-polished boots, stand motionless under the roof flanking the tomb at attention while balancing their rifles vertically in their left hands. At the changing of the guard ceremony, guards employed a pounding goosestep near the tomb. School kids who swarmed around the outside of the structure and posed for pictures moved aside long enough for the changing and then closed in again.

MONUMENT TO CHILDREN WHO FOUGHT IN WARSAW UPRISING: (The name in Polish is Mali Powstaniec, which I am told is the "Little Rebel," or a diminutive for Powstaniec who are the revolutionaries who fought in the Powstanie, or uprising. There'll be a quiz.). Fetching statue of a child about kindergarten age carrying a machine gun on a sling across his chest and wearing a helmet that came down over his eyes and ears and much of his face. The statue stands in a niche in the outer of two walls around Old Town. A bouquet of spring flowers was at his feet.

ROYAL CASTLE: Dinner will be in the Great Assembly Hall, set with about 12 round tables. Champagne toast, dessert and playing of both national anthems will occur in adjoining Council Chamber. Castle has the elegance and gilt seen in many European palaces, but is more brilliant even than Versailles since it is so new (rebuilt in 1971). Floors in the Castle are parquet and museum visitors are required to wear felt slippers over their shoes to avoid scuffing.

The castle, in the common style of a multi-story office building surrounding courtyards, overlooks the Vistula at the site of an ancient fortress. In its present form, the castle was first built in the 13th century. The nation's first constitution was signed there in 1791. The Castle contains 22 paintings from the 18th Century that were a model for post-war reconstruction of the old city. The column in front of the castle is Sigmund's Column, erected in 1644 in honor of King Sigmund III.

WARSAW Ghetto Monument: The president will go to the largest and most prominent of several monuments in the ghetto area (Others are the large carved stone at Mila 18 and at the railhead where Jews were loaded aboard trains bound for Auschwitz). It was unveiled on April
1948, fifth anniversary of the ghetto uprising (which is distinct from the general Warsaw Uprising—or Powstanie, which came in 1944). The monument is about 35 feet tall and its facade depicts men, women and children fighters breaking out of the burning ghetto. They carry guns, handmade grenades, and paving stones. The central figure is a man, wounded in the head and right hand, who is throwing with his left. [Stone on the front of the monument was ordered by Hitler in 1942 to build a victory monument to Third Reich.] The rear of the monument is a stone relief depicting Jews being driven to concentration camps.

According to Polish histories, there were 380,000 Jews in Warsaw in 1939. The 307-hectare ghetto was sealed off on the night of Nov. 15, 1940, and at its peak in the spring of 1941 contained 450,000 people from a population being resettled by Nazis from the hinterlands. Quickly built brick walls enclosed it. By the spring of 1942, alarm spread among ghetto residents on the killings in concentration camps. 100,000 had already died inside the ghetto from starvation and disease. 300,000 were deported to Treblinka between July 22 and Sept. 21, 1942. The Uprising occurred in April and May 1943, after a second major relocation on Jan. 18-22, when only 60,000 were left inside. The last holdouts in the sewers were flushed out in the autumn.

SEJM: The Sejm (pronounced SAME) is the lower house of Parliament (Senate is upper, recreated in 1989). Since Parliament is scheduled to recess by July 2, Clinton necessarily will address a special session of some of the Sejm's 460 members and some senators along with the capital's diplomatic corps and President Walesa. This parliament was elected last September. Gore spoke here as have the president of Lithuania and the speaker of Israel's parliament. The lower house chamber or Hall of Debate, rebuilt in 1947, is a handsome and bright room furnished in wooden benches, with fabric upholstery, arrayed in a series of 11 concentric semicircles beneath a 16-meter circular skylight. President Walesa's curtained box is on the balcony to the left of the speaker's stand from the members' viewpoint. The podium from which the president will speak is directly in front of a higher podium on which there are five throne-like chairs. At the center seat, belonging to the speaker of the Sejm, is the towering staff of office which he raps three times to signal order. Behind that is a towering arrangement of bunting that is a brilliant red and a very white white, topped by the imperial eagle symbol. Each seat is equipped with electronic voting pad and there are four computerized screens in the room to record ballots. Acoustics in the hall are "far from perfect," parliamentary literature says. At the Entrance Hall the visitor is met with bronze railings in the shape of snakes that surround the room and present their menacing heads at each side of the bottom step.

COUNCIL OF MINISTERS BUILDING: (Meeting with Prime Minister Powlak.) Once a military school. During 1944 uprising Nazis used its gardens for mass executions. Three locations inside. Arrival photo op possibility in large anteroom to his office, in front of white marble fireplace beneath chandelier that looks a bit like a wagon wheel. Two rooms involved in meeting are the Clock Room, dominated by an exquisite grandfather clock whose time was accurate but the date was three days fast. In one corner, by the window, was a sofa, coffee
table and four chairs. The adjacent meeting room has a round wooden table, tasseled walls and two torchiere lamps.

POLISH-AMERICAN BUILDING CRAFTS TRAINING CENTER: Clinton may tour school, with hands-on time with teaching tools, then say some words just outdoors.

(From fact sheet made available by school director Jerzy Pieszczurykow) School opened in 1991 in Warsaw, and a second center opened in Gdynia in September, train some 60 workers at a time in building crafts (bricklayer, ironworker, plumber, electrician, roofer, dry wall). Activity is cosponsored by AFL-CIO and Solidarity with financial support from U.S. Labor Department ($2 million so far, according to Administrator Vito Skorupski, a Chicago Carpenters Union official who says they could use another $3 million). Instructors were trained in U.S. and use American tools and equipment. They include four-month apprentice level courses and advanced courses of four or six weeks in special skills such as tile-setting for bricklayers or copper pipe work for plumbers. School has graduated some 700 students. It also has graduated 76 people from a small business course conducted in cooperation with Ohio State University.

From observation and interviews: Former Labor Secretaries Elizabeth Dole and Lynn Martin have visited the center. Center operates from a small two-story cinderblock building built by students at 50 Nasielska, a rutted street beside a railroad track in an apparently poor neighborhood of deteriorating housing. On the staircase to the second floor is a plaque from the June 20, 1991, dedication ceremony, bearing the names of President Bush (who was not there) and President Walesa (?). It is flanked by an American flag and a Polish flag. Students were seen tying iron reinforcing rods and finishing wallboard. Skorupski, who really wanted to talk about the Cubs' home victory, said students are virtually guaranteed jobs, many at companies formed by other students who also send in workers for advanced training. He said they are branching out to include 17-year-olds in trade school. "It's still kind of primitive yet, but we're working on it," Skorupski said. One overall objective is to further unionize construction in Poland. He said the center is helping a Chicago company (McCue Construction, phonetically) develop information to bid on a 37-story building in Warsaw and said that if the company wins the job it has promised to hire subcontractors from the training school, to require the school's certification for workers hired by other subcontractors, and to require 100 percent unionization on the job.

LASIENKI PARK: Possible site of a Visigrad nations' reception, assumed to be at foreign ministry level with a visit from Clinton who is said to want them to meet informally enough so he can talk freely to all the participants. Possibility of including Baltic states. House toured is called Bathing Apartment (or Bathhouse) but this is a misnamed 1788 mansion of marble. The park's name apparently is plural for bathhouses so there must have been others. Salomon's Hall is the ballroom involved.
FACILITIES

Press hotel is the Hotel Jan Sobieski, which proclaims itself four-star and appears to be exactly that. It is about 1,000 meters down the street from Marriott, where filing center is located and president will likely be staying in one of its 34 "regular" suites or, more likely, the Presidential Suite. (Press may be getting better end of this deal hotelwise, although Marriott is very nice and very American. Sobieski had no rooms large enough for a filing center).

It is two years old, 431 rooms of which 371 are roomy and attractive and 60 tiny singles are really teeny-weeny. All share the same amenities. Most rooms have tubs as well as shower. CNN, satellite TV, hair dryers, mini-bar, 24-hour room service, same-day laundry, non-smoking rooms. Touchtone phones have RJ-11 (computer compatible) modular plugs and a choice of dialing out via hotel's more expensive satellite phone system (dial 60, 20 lines activated when we visited) or using 50 lines to Polish phone system (dial 90) for local call, such as through USA Direct, or direct overseas phones. Rooms run $110 U.S. plus VAT of 22 percent. (Applies to all purchases). Restaurants not sampled, but less choice than at Marriott.

1 Plac Artura Zawiszy
P.O. Box 155
Warsaw, Poland 02-025
Telephone: 658 44 44 or 659 55 01 (Country Code 048, city code 2)
FAX: 659 88 28 (Country Code 048, city code 2)

Marriott (whose third-floor Grand Ballroom is press filing center) has 11 choices of restaurants including the elegant Chicago Grill, the Lila Weneda which has a great breakfast buffet and a different ethnic dinner buffet each night (about $11), the rooftop (40 stories) Panorama Club for late drinks, dessert, jazz, and the Vienna Cafe for light snacks with chamber music.

65-79 Al. Jerozolimskie
Warsaw, Poland 00-697
Telephone: (48)(2) 630-6306
FAX: (48)(2) 630-5239

MISCELLANEOUS

Brush up on decimals. The Polish Zloty uses even more zeroes than the Italian Lire. At the time of our visit 2,200,000 zl=$100. (Next Jan. 1 they are dropping four zeroes which should lower the stress of being a millionaire in anything. Largest notes we saw were 500,000. Change is rounded off and people don't bother with 1,000 Zl notes.)

Walesa and Clinton share the passion of crossword puzzles, although it is doubted that Mr. Clinton does his in Polish.

Those looking for a drink should not necessarily steer into a "koktajl bar," since a cocktail in Poland is a milkshake and such places are sort of dairy bars. There are at least two casinos in Warsaw, one in the Marriott and one virtually across the street.
Withdrawal/Redaction Marker
Clinton Library

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**COLLECTION:**
Clinton Presidential Records
Communications
Don Baer
OA/Box Number: 10140

**FOLDER TITLE:**
G-7 Background

**RESTRICTION CODES**

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<td>P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]</td>
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<td>P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]</td>
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<td>P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]</td>
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<td>C. Closed in accordance with restrictions contained in donor's deed of gift.</td>
<td>b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]</td>
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<td>b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]</td>
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Poland's VAT of 22 percent is added to everything. Tips are generally not included in restaurant bills unless the party is unusually large in which case the menu will note it. Apparently 10 percent is considered an average meal tip.

Serious runners suggest limiting Warsaw jogs to 20 minutes because of pollution.

Shoppers are advised by local experts to beware of apparent antiquities since virtually everything pre-1945 in Warsaw and environs was destroyed or stolen. Authenticate anything really expensive, including religious panels, silver, etc.

END PRE-ADVANCE REPORT (as of May 17, 1994)

Frank Murray
Office: 202-628-1184
Home: (b)(6)

SCHEDULES FOR NEWS PLANNING USE ONLY (NOT FOR PUBLICATION)
OTHER DATA NOT FOR USE PRIOR TO TRIP BRIEFING OR SUNDAY, JULY 3, 1994

####
Core Message
G-7 Trip, July 1994

The trip will build on the themes of a worldwide season of renewal and the "civil courage" all people must summon to make the most of this urgent moment in our history. It will also draw through the three themes of meeting new security challenges, advancing market economies and promoting democracy that have guided your previous European trips.

Renewal: The peoples of the world face the challenges of a season of renewal. At the end of the Cold War, we must move forward along a new path -- of shared prosperity, open exchange and a concerted effort to give our people the tools, the confidence and the courage to seize the opportunities of a changing world.

Civil Courage: The challenges of renewal require "civil courage" (which translates from a German expression used to describe the East Germans who risked their lives to secure freedom). These uncertain times tempt people -- in America, in the industrialized nations and in the former communist states -- to build new walls and reject the path of progress. We must encourage those in new democracies to accept the responsibilities and the moral choices that go with freedom. And we must steel ourselves to face up to the changes ahead. If we summon the same "civil courage" that helped end the Cold War, we can seize this urgent moment of renewal.

These themes are intended for several audiences:

America: We have put our economic house in order, embraced the global economy and are doing the hard work required to prepare our people to adapt to a changing world. (This gives us a way to promote our domestic economic accomplishments.)

G-7 Industrial Nations: They are struggling with widening gaps between haves and have-nots and the false choice of either increased costly safety nets or increased deregulation of their economies. They must find renewal on the third path America has taken: choosing growth, open markets and the will to prepare their people for the global economy.

Eastern Europe: Having chosen the path of freedom, they must find the energy, patience and spirit to persevere and to reject intolerance and the forces of reaction.
Major message opportunities
G-7 Trip, July 1994

Day One: Washington/Departure Speech
Presents the story line for the trip.

Moving forward to Naples, from D-Day and Tokyo, Brussels and Detroit. Outlines new G-7 emphasis on jobs and empowering hard working citizens in the face of economic change. Highlight our progress, domestic and foreign, since Tokyo.

Day Two: Riga/Freedom Square
Praises Baltic heroes and urges them to stay the course.

Historic moment: first U.S. President on free Baltic soil. Honors the heroes of independence, reasserts the bonds between our nations. Pledges continued security and economic support, embraces their return to Europe and refers to Russian troop withdrawal. Exhorts their citizens to summon the courage, tolerance and patience to carry on.

Day Three: Warsaw/Polish Parliament
Reasserts the themes of security, integration and democracy in a unified Europe. [New policy TBA]

Builds on Brussels and French Assembly. Honors the heroes of Polish independence (and all Eastern Europe). Addresses the Partnership for Peace, new economic ties and U.S. assistance to the region. Notes the economic problems, particularly uneven development, and urges patience. Exhorts nations to persevere on the democratic road and exercise the responsibility that freedom demands.

Day Three: Warsaw/Uprising Memorial 50th anniversary. Pays homage to the strength and courage of a generation that rose up against tremendous odds. Pledges to carry on their legacy.

Day Four: Naples/Pre G-7 Statement
Defines the goals of the G-7 and its implication for Americans.

Draws heavily on departure statement above. Illustrates domestic and international progress since Tokyo. Emphasizes job-creating economies that provide people with the tools necessary to seize the opportunities of the global economy. Push for open markets, open borders, shared prosperity. [Press Q&A follows: Unemployment numbers, Korea talks, etc.]

Day Five: Naples/Post G-7 Statement
Outlines G-7 accomplishments and illustrates advantages for Americans. [Press Q&A follows]

Day Six: Ramstein/U.S. Airbase
Inspires U.S. troops and reassures Europeans of American commitment to their security.

Day Seven: Berlin/Brandenburg Gate
Exhorting the heroes of freedom to summon the civil courage and maintain the course that will lead to renewal.

Historic moment: first U.S. President to visit a united Germany. Honors the heroes who defended free Berlin and tore down the wall. Pledges continued American support in uncertain times. Supports the economic and political path they have chosen while urging tolerance and patience for the journey ahead.

Day Seven: Berlin/Inactivation Ceremony Historic moment: End of U.S. presence since 1945. Mission accomplished. Honors all those who served in the Berlin Brigade (examples). Reassures the Germans that this is not an end but a beginning: America will always be there.
Global Prosperity in the Long Run

The President's purpose in Naples is to lay the foundations for the economy of the 21st Century; to create the basis for global prosperity in the long run.

To this end, the President believes that four themes should be part of the G-7's agenda:

1. The Global Recovery and A Common Strategy for Growth and Jobs
   - Our growth strategy from last year has worked. Growth in the G-7 this year will average 2.5%, up substantially from the 1% achieved in 1993.
   - The growth strategy is working better in the United States, where it has been more fully carried out, than elsewhere. The United States created all the jobs in the OECD countries in 1993, and productivity grew faster last year in the US than in Japan, the EU or Canada. We have accounted for 75% of the output growth in the G-7. And we have the second smallest budget deficit in the G-7.
   - G-7 leaders will reiterate their commitment to the GATT and to ratification of the Uruguay Round. This will bring major benefits for the world economy and for the US. It is equivalent to a $744 billion tax cut over the next decade for the industrialized countries. For the US, it means an additional $100-200 billion in income over the next decade, which amounts to $1700 per family over 10 years. It will also create an additional 500,000 in the US over the decade.
   - We are working to make the recovery enduring by preparing our economies to meet the challenges of the 21st Century. At the Jobs Conference, we reached agreement on the structural changes necessary for long run growth. At the G-7 meeting, we will discuss a growth strategy combining macro-economics, trade, and workforce investment. At the next G-7 meeting, we will discuss action programs to make this a reality.
   - We expect that leaders will begin consideration of the future evolution of the world trading system. This could involve both an emphasis on the need to advance progress on the unfinished work of the Uruguay Round
3. Cooperation in Building the Infrastructure for the 21st Century Global Economy

The President believes that the G-7 should take a lead role in developing a clear understanding of how the institutions and infrastructure binding us together in the future will change as the global economy changes.

- Our international finance institutions -- together with the World Trade Organization -- and the world's telecommunications sector will be at the heart of the 21st century economy in all nations.

- The President will ask the G-7 to begin efforts in each of these areas to focus upon future needs:

  - We will suggest that there be follow-through on the agreement reached in Detroit to focus upon technological change by focusing specifically upon telecommunications.

  - We will suggest that as part of the 50th anniversary of the international financial institutions that they consider the broad directions they must take in a changing world and report back to Halifax.

4. A Focus on Sustainable Development and the Environment

The President will ask the G-7 to add its weight each year to the support both of important policy directions for sustainable development and the environment, but also for specific, concrete actions.

- We will recognize special problems of African development. We expect we will be able to go further than in the past on debt relief.

- Leaders will provide impetus to the Cairo Population Conference and to call for the completion of national environmental plans.
TO: Donald A. Baer
FROM: Steven A. Cohen
       Office of the Press Secretary
CC: Gabrielle M. Bushman
SUBJECT: fyi

for your use
THE PRESIDENT: The next meeting in Halifax, is that where it is? Nova Scotia in the spring?

Q: We’re having a lottery to see --

THE PRESIDENT: Yes, the rate of turnover is speeding up. I’ve liked all the ones I’ve had so far --

I think this is fine. I think the only sentence we might want to add is a sentence at the top which sort of summarizes what was in Lloyd’s memo to me about what the United States did to energize the G-7 last year, or something like that. What we got done
last year and you know. Just one sentence up at the top. You don't even have to -- I think it's fine. I think the only weakness of it is that there's nothing, except for the GATT thing, there's nothing like what we did last year. We made progress on GATT and we had the Japanese deal. Still -- but I think it's good.

Q If you get that question, I think the point --those things didn't happen at the G-7. They happened surrounding the G-7. The Japan deal was not part of Tokyo.

THE PRESIDENT: The Russia deal was.

Q And Micky's deal was.

Q Mr. President, I mean, I think we're generally agreeing. I think we're going to have a package for these next steps.

THE PRESIDENT: You do?
Q Yes.

THE PRESIDENT: Good. That's good then. And of course, if we’ve got these other -- if we get the two deals -- now when Japan has been --

Q I haven’t found reporters so far -- the ones I’ve talked to so far resisting the idea that this is different. Last year it was sort of -- repeating of the old agenda and trying to get the GATT nailed and all the rest. This year we’re setting a new agenda and it’s not a scorecard --

THE PRESIDENT: I don’t think that what’s happening this year on Russia will be compared adversely with what happened last year. I think we ought to tie all this progress that’s been made -- I mean, I think it’s really astonishing if you think about where we were in January and where Russia is today. I think we ought to say, this proves that G-7 was right last year; we did that, look what’s happened. We got to Russia and look what’s happened. But I would tie that back to the decision at last year’s G-7 to support Russia, support this, continuation of policy and order.

Q And it is important that this is going to be the first G-7 meeting which, in the last day, Yeltsin’s taking part, a full part now -- in the political discussions.

THE PRESIDENT: Yes.

Q I’d like to call your attention to this in the fourth paragraph down, second paragraph up from the bottom, about the G-7 meeting will discuss the growth strategy combining macro, trade and work force investment. It seems to me that’s a point that you’re going to want to make at various times. It’s a three-legged stool for growth. And I think that always gives you a useful way to think about this. And I don’t think people understand -- in the press and elsewhere -- sufficiently that you have integrated approach to this, and that G-7 represents an integrated approach. They never think we have a strategy.

Q I think you can also pick up from last year that each summit year you talk about growth and macroeconomics and trade -- we introduced the idea of the job summit last year. We really didn’t talk about these issues in these terms. We’re now taking it to the next step, which is we’re talking about a growth strategy in terms of all three of these.

Q This is the first time the G-7 has ever talked about a kind of strategy mix like that. They virtually always talk about it in a macroeconomics and trade.

Q Essentially for all of us, what we need is a scene to make sure you haven’t forgotten about policy strategy needed -- those are the three things we’re always looking for. And I think this helps to get you to the strategy. But you have some -- whenever
you're -- this is how this fits together. Because people -- that's one thing you always get accused of is people -- because people never understand it. They have bits and pieces of it at different times.

THE PRESIDENT: Is it true to say that at the jobs conference we reached agreement on the structural changes necessary for long-run growth? That's not accurate, is it?

Q No, you're right. We discussed it, but we didn't

THE PRESIDENT: I don't think that's accurate to say that. I think you could say at the jobs conference we agreed that MORE
structural changes as well as macroeconomic changes were necessary
for long-term growth. It's a very different thing. We never agreed on what they were or how we were grading each other on whether we met them or not.

In general, I think this is fine. It's part of this whole -- from our point of view in America it goes back -- all during the campaign I said we can't grow at home unless we have global growth. And how are you going to have global growth? You've got to have macroeconomics strategies, you've got to have expanded trade. You've got to have good worker retraining program.

I also believe -- it's too complex to add in here, but I think that there are some things that you can do in cooperation with the other advanced economies. This is a debate, by the way, we have in the Council of Economic Advisors -- I believe it's the same debate -- we have to raise the capacity of the American economy to grow; same issue in the global economy.

I believe there are some things we can do which aren't macroeconomic trade or work force retraining which would change the capacity of the economy to grow. I think if you had a massive --just as an example -- I think if you accelerated the introduction of the information superhighway throughout the world it would change the capacity. I think if you planted another 500 million trees in Africa, within eight years the conditions for sustainable development would be greater and it would expand the capacity of the country to grow.

I think there is something that -- it's what we focus on all the time. The cheap and easy ones here are taking the lid off export controls of high-tech materials. But there are things that aren't macroeconomics, trade, work force training that change the capacity of the economy to grow. And I think since we are going to be talking about some of that stuff -- the Vice President in South America talked about this whole information superhighway, and since we believe the environmental technology area is not a zero-sum game -- in other words, we don't believe every job we get is a job that a German or a Japanese won't get in that area because there's just so much to do.

I wish somehow that could be part of it. It may be too complicated. But it's very much a part of our own thinking and what we talk about.

Q We have to decide, Mr. President, whether you want -- you're absolutely right, you have a full comprehensive economic strategy. This is most, if not all of it. The only question is whether you wanted a couple more commas and put in technology and infrastructure, which are the two pieces on the investment side, and then the regulatory rationalization which is lifting export controls and things of that sort. Now, whether that makes more than you want to say is a communications issue.

THE PRESIDENT: Well, the export controls you could put
in the broad framework of trade. But something -- the role of technology and infrastructure and expanding the capacity of the global economy to grow I think is worth putting in there.

I also think it's worth putting in there because it's another way we can stroke other countries who arguably are doing more than we are. The Japanese are certainly doing more infrastructure than we are -- building all those expensive airports and stuff like that.

What's the status of that Osaka airport?

Q It's the most expensive in the world.
MORE
THE PRESIDENT: Are they still building it out on the water?

Q They’re still building it out on the water. It’s also on a slant so that --

THE PRESIDENT: They’re going to have hell building it. I went out there on a boat -- two years ago.

Q It was developed about the same time -- built the airport. (Laughter.)

Q I remember that year. It was the year the Red Sox won the pennant. (Laughter.)

Q The landing fee is $45,000 --

THE PRESIDENT: What?

Q That’s what Delta told us.

THE PRESIDENT: Who can afford to land an airplane? What is the cost to fly into Kennedy Airport?

Q About $12,000

THE PRESIDENT: Is it that high?

Q You have a listing here of the --

THE PRESIDENT: That’s my only option, those two things? I think David’s right. I think this gives you a theme, how do you achieve global prosperity.

Okay.

Q Mr. President, there’s a sheet right here. There are many, many more speeches than this and a lot of supportive statements and whatnot. You’re going to get sick of it by the time this is over. But these are the major opportunities to send the message. And as we said the other day, the trip is to weave together the larger political emotional, dramatic speeches in Eastern Europe and in Germany with the economic message that we’re trying to send.

I propose that we do it by using these themes of a season of renewal, which fits both of those areas; and also exhorting people to summon the civil courage that’s necessary to move forward in the face of either the changes the world economy is facing or the political obstacles that people are facing in these emerging democracies.

I think the best thing to do -- what we tried to do is give you a very brief thumbnail of what we can do with some of these speeches. And I think it probably makes sense just to walk through
them and talk through them and get your ideas as we go of things that you suggest or would like to do. And there are a couple of places where we have some questions, and with people here it makes sense to try to settle or at least begin to resolve.

The opening line on Tuesday, which will be over at the Commerce Department, is going to set out the road map of this trip and particular -- and try to do it in an way that will -- The first big rally speech is in Riga.

Q  Can I just -- that would also not only include the G-7 part of the trip, but the other part of the trip. We would also be talking in that speech about integration.

MORE
MORE
Q And relating it all to the lives of American citizens before he goes abroad.

Q Riga, Freedom Square, is the first big rally speech. You're the first U.S. President to set foot on free Baltic soil. There will be people there from all three of the Baltic states. We're aware we need to make these short speeches because of our previous experience and we won't have the translation — As I said before, George is the one who is worried that we might be going to Greece.

What we want to try to do is something similar to what we did with those D-Day speeches, which is that they're historic moments, they're opportunities to tell stories, but these are rally speeches so they have to be much shorter, crisper, to the point. And there will be some very high emotional moments with them.

THE PRESIDENT: Good.

Q But there will be a story-telling quality to them.

THE PRESIDENT: Good.

Q On the Russian troop point there, there is an opportunity in Riga after the meeting with the three presidents to make a more detailed statement about policy towards them. We'll refer to it in here, but not the details.

THE PRESIDENT: Russian troops are still there.

Q The Russian troops are still there. I think you've got to mention it in the speech. So that's going to get the coverage. I also think — we talked this morning about balancing the speech so that there is a message on ethnic tolerance as well.

Q The Russian troops, though, is the thing that the press will be watching, and they'll be checking to see whether or not we have been strong enough in terms of saying that we expect those troops to leave in August I think it is.

Q Let me take 30 seconds for a story — in the Russian Foreign Ministry, our friend told me the other night. When Chernomyrdin was over at the Press Club he said in Russian, "and we're going to get all our troops out by the end of the year." — made a deal with the interpreter to check with him before he translated anything, and he said — and he went over to Chernomyrdin and whispered in his ear and then whispered to the interpreter, and the interpreter said, "all the troops are going to be out by August 31st, which was the translation.

Q I think there is more than just a rhetorical question for us on how strong the President should be in his statement there.
THE PRESIDENT: What's their position on gays in the military? (Laughter.)

Q I think we've got to decide, because people are going to be watching for more than just an oblique statement about this in this speech.

THE PRESIDENT: There's a way to do this without offending the Russians. They know what our position is. And I think Mick has got it right: What you want to do is be clear and firm on troop withdrawal, clear and firm on respect for -- all they want -- they don't want us to go over there and wimp out. The way to avoid embarrassing them and looking like we're making cheap political MORE
points at their expense is to say we stand up for minority rights. Isn't that right?

Q That's right.

Q That's the best thing you could do.


Q The Polish Parliament is the most substantive foreign policy speech in that it will be a follow-on from the French Assembly and from Brussels, a chance to speak more about democracy integration, security --

THE PRESIDENT: You know it got almost no notice over here, but apparently -- I just keep getting feedback from Europe that that speech at the French Parliament had a terrific effect; helped the United States in France, helped the United States in Europe; that people really were moved by it.

Q Well, here's the question now, is how much more we can say substantively about what we're willing to put on the table.

Q There's plenty of substance here.

Q Are we agreed on that?

THE PRESIDENT: The one thing I would say to you, though, is that -- I want to ask a question here. In the French Parliament, didn't they have simultaneous translation? They had earphones, didn't they?

Q Yes.

THE PRESIDENT: What are they going to have in Poland?

Q They can do simultaneous.

THE PRESIDENT: It's really important; it affects how long it can be. Check that and make sure.

Q And also just the rhythm of it.

THE PRESIDENT: It's really important, you've got to make sure it's simultaneous. Even if -- I think that speech at the French Assembly was at the outer limits of how long it can be. How long was it?

Q It was about 20 minutes.

THE PRESIDENT: I don't think it can be any longer.

Q Probably should be shorter.
THE PRESIDENT: But they liked it. It was long enough so that it was serious and not so long it was boring.

Q And we had 14 hours to write it. (Laughter.)

THE PRESIDENT: You had what?

Q Disregard that. (Laughter.)

Q A speech that probably will be regarded as a smaller speech but it’s a very emotional moment is the 50th anniversary of the Warsaw Uprising. That will be a short speech, but you’ll be speaking at the monument that exists there to the people
who rose up. That's another way to tell one of these stories --
Q By the way, they're holding a ceremony that includes Germans and the Russians and the others -- different from D-Day. A reconciliation ceremony.

THE PRESIDENT: Do we have any people in the administration whose families were in the Warsaw uprising?

Q Shali was there himself as a kid. He was there during the uprising.

THE PRESIDENT: We ought to find out -- we might have some really major supporters -- you should ask our political -- we ought to ask our White House finance people and all that just if they know anybody. We might have some people whose families were in the Warsaw uprising. We've got several who were in the Warsaw Ghetto here.

Q A couple of reporters.

Q I think there are people who have been active contributors, fundraisers --

THE PRESIDENT: That's what I mean. New York, Chicago -- it might be worth taking a quick run-through. This is a good list, but I would just like it if we could do a double-check through our list of major supporters.

Q Some New York reporters are only being allowed to go on this trip because of it.

THE PRESIDENT: Really? This will be a big deal. We need to check New York, southern California, Chicago, Milwaukee and Florida just to check for ties to the Warsaw Ghetto. I think it's really worth doing. A bunch of our friends -- if there are 40 or 50 of them, they might be willing to charter another plane to go or something.

Q Even if they weren't, there are people who, like -- who's cared enormously about the fact that his family was wiped out --

Q The thing that we don't want is to turn foreign policy into politics.

Q This is not the Jewish ghetto uprising. This is Warsaw.

THE PRESIDENT: It's the uprising at Warsaw. I know. That's why I tried to draw the distinction. That's why when I say this list, all these people were in the Warsaw Ghetto, which is different from the people who were in the uprising.

Q You're going to a memorial for the ghetto uprising
Shall we go on to the Naples? It's pretty plain, but you're going to have two press statements there. Questions, Q&A will follow. The first one is on Friday. You're going to tell them again what you plan to do at the G-7, and the second one is on Saturday; you're going to tell them what you did do at the G-7. And there are some points to be dwelt on later on for what kind of Q&A are going to come up.

THE PRESIDENT: I got it.
Going to Ramstein, where you’re going to do, as you requested the other day, a speech to the military audience. And that will be late that night, late Monday.

Q After the dinner with Kohl.

THE PRESIDENT: After the dinner with Kohl?

Q Yes. He’s going to go with you.

THE PRESIDENT: On the way to Berlin.

Q They didn’t want to impose, but he’s going to go with you.

THE PRESIDENT: To Berlin?

Q No, he didn’t want to cut the dinner short, but he’s going --

THE PRESIDENT: I hate to cut the dinner short, too.

Q But he’s going to go with you to Ramstein.

THE PRESIDENT: It’s got to be good for him to be there at Ramstein.

Q Oh, yeah.

Q Berlin -- the two big emotional bookends -- your big speech at Brandenburg Gate and then the Inactivation ceremony at McNair Barracks, both of which are very, very important. They are going to be heavily covered. And I think it’s sort of symbolic of what --


Q For the whole trip. They are both very important events --

THE PRESIDENT: This Brandenburg Gate speech is very important. It will be like -- you decided you did not want me to give it in German?

Q I don’t think we decided anything.

Q I feel strongly about it that you should not. I think you should not give the whole speech in German. The question is whether you sprinkle some German in it. I do not think the whole speech should be in German. It’s too much. And besides which, we’ve got a big audience back here and they ought to hear this and not have to be bothered with --

Q Mr. President, you need to get to the briefing for
the Business Week.

THE PRESIDENT: Okay.

The Inactivation thing I think is great.

Q Now we just will be giving you drafts.

THE PRESIDENT: I like this.

Q Do you feel comfortable with those overarching things that I talked about?

MORE
THE PRESIDENT: Absolutely.
So we can start to talk about them.

THE PRESIDENT: And it goes back to -- you can say again about the seamless web between domestic and foreign policy, and how we just don’t see the dividing line.

Good job, everybody.

Q I have your proxy to tell everyone that these all have to be short, is that right?

Q Let me just say, we’re going to have a one-pager that we’ve been working on of what we call the giblets of things, of points you can make about U.S. leadership. I mean, we’re leading the -- among the G-7 nations, we’re leading the way in growth. I think you can use this in the business -- leading the way in growth, leading the way in job creation, we’re leading in export growth, we’re leading the way in deficit reduction, we’re leading the way in private investment. Those are all things that are happening in the U.S. economy.

Q Now let’s talk about the dollar -- (laughter.)

THE PRESIDENT: Thanks. Good job, everybody.

END 5:25 P.M. EDT
MESSAGE NO. 67    CLASSIFICATION    CONFIDENTIAL    PAGES 10
FROM    David Dreier    202-451-1999    Gr. Fl. / W.W.
        (NAME)    (PHONE NUMBER)    (ROOM NO.)
MESSAGE DESCRIPTION    SPEECH MATERIAL

TO (AGENCY)    DELIVER TO    DEPT/ROOM NO.    PHONE NUMBER
AF-1    Don Baer
Wasson

REMARKS:

DECLASSIFIED
E.O. 12958, As Amended,
White House Guidelines, August 28, 1997
By DB NARA, Date 7/15/99
2006-0458-F

CONFIDENTIAL
Wherever I traveled -- from the Grand Place of Brussels to the cobblestones of Prague, from the walls of Kiev to the spires of the Kremlin -- people are breathing the crisp air of freedom. And they are looking to America as their model and their inspiration.

When we Americans look at inward, we see our own faults, and we live with them every day. But there is much to be said for seeing America as others see us. It is not the power of our weapons -- nor the glitter of our wealth -- that captures their imagination. It is the bright, shining light of our ideals.

Most of the world, for most of history, has looked back, and sought answers in old certitudes. America is a nation of searchers and discoverers, who have always believed we could make the next month, the next year, the next decade each better than the last. We have always risen to make history the way we want it to be made. We have imparted that sense of hope to so many people around this world; we must now regain it for ourselves.

In most of the world, for most of history, where you were born determined what you could be. America is the first country born and committed to the ideal of liberty and opportunity for all. We are the nation that knocked down the barriers of the Old World, and built the great middle class of the New. We shared that ideal of opportunity with the rest of the world; we must now revive it for ourselves.

Most of the world, for most of history, has been ruled by power and not by law, by force and not by right. America is the first country founded on a declaration of inalienable rights, and a commitment to the rule of law.

In our own time, that ideal -- smuggled on cassettes, or whispered in the prison cells of the Gulag -- finally brought down the strongest of criminal regimes. We must now restore that rule of law in our own country and defeat the violence that plagues our national life.

In most of the world, for most of history, people have been the servants of government. America is the first country dedicated to the proposition that government belongs to all the people. That ideal of democracy is now triumphing abroad, but it is tarnished at home. We must reclaim our own government from too much tainted money, too much bureaucracy, and too many lobbyists. After all we have done for others, it is time to make our democracy work for us.
KEY ECONOMIC STATISTICS
June 29, 1994

1. UNEMPLOYMENT:

- **UNEMPLOYMENT RATE IS DOWN**: The unemployment rate declined from 6.4% in April to 6.0% in May. It has now declined from 7.7% in January 1993 to 6.0% for May, 1994.

2. JOB CREATION:

- **THE ECONOMY HAS CREATED ALMOST TWO AND HALF TIMES MORE PRIVATE SECTOR JOBS IN 16 MONTHS THAN WERE CREATED UNDER ALL FOUR YEARS OF THE PREVIOUS ADMINISTRATION**: Under the four year period of the previous Administration only 1.311 million private sector jobs were created (1/89-1/93). In the first 15 months of the Clinton Administration, 3.115 million private sector jobs were created.

  - While 93% of the jobs created during the Clinton Administration's tenure have been in the private sector, only 54% of the jobs created during the previous four years were in the private sector.

  - **MORE THAN SEVEN TIMES MORE PRIVATE SECTOR JOBS PER MONTH**: The economy has created 195,000 private sector jobs per month in the first 15 months of the Clinton Administration -- more than seven times the 27,000 private sector jobs per month created in the previous four years.

- **MORE JOBS OVERALL IN 16 MONTHS (3.357 MILLION) THAN IN THE PREVIOUS FOUR YEARS COMBINED (2.444 MILLION):**

- **MORE THAN A MILLION JOBS IN THE FIRST FIVE MONTHS OF 1994: AHEAD OF SCHEDULE FOR 8 MILLION JOBS IN FOUR YEARS**: The economy has now created more than 1,237,000 million total jobs in the first five months of the year, 96% (1,186,000) in the private sector. More than two million jobs were created in 1993. The current pace --247,000 jobs a month -- puts the economy well ahead of schedule to create "2 million more in '94" and ahead of schedule to create 8 million jobs by the end of 1996.

- **MANUFACTURING JOBS ROSE SIX TIMES IN THE PAST EIGHT MONTHS**: After serious declines for several years, manufacturing jobs were up in six of the past eight months. They are now up 56,000 over the last eight months.
• Construction employment has increased for eleven straight months: Construction employment has increased for eleven straight months. After declining by 664,000 jobs during the Bush Administration, construction jobs are up 386,000 jobs since January 1993.

• Auto jobs are up: Auto employment has increased 46,000 over the last 12 months from 820,000 to 866,000.

3: HIGH QUALITY JOBS ARE BEING CREATED

• In 1993, over half of the new jobs created were professional, managerial or technical jobs paying 46% above the average wage.

• In 1992 about 30% of all the new jobs created were with temporary help agencies. In contrast, during President Clinton's first year temp jobs accounted for only 13.1% of all the new jobs created.

4. BUSINESS PEOPLE ARE OPTIMISTIC ABOUT FUTURE JOB CREATION:

• In a recent Business Week poll, nearly half of the senior business executives surveyed reported that they plan to increase the number of full-time employees in the next 12 months, while only 27% foresee a decrease in the number of full-time workers they employ. 86% believe that unemployment will either stay the same or decline.

• In addition, the Manpower Inc.'s third-quarter survey of 15,000 companies shows that 29% of U.S. businesses plan to hire workers this summer, the most bullish forecast since 1989.

5. MORE BUSINESSES BEING CREATED & FEWER ARE FAILING: Dunn and Bradstreet stated that "In 1993, the United States posted the greatest number of yearly business incorporations since Dunn & Bradstreet began reporting this data in 1946." In addition, business failures also declined by 11.4% in 1993.
6. INFLATION REMAINS LOW:

- While we are vigilant in watching for inflation, the signs so far remain positive.

- Core CPI (excluding food and energy prices), over the past 12 months rose 2.8% — the lowest annual increase in over 21 years. The overall CPI has been 2.3% over the last 12 months, the second lowest since the 1966.

- Top private forecasters still see moderate/low inflation, and have even decreased their inflation forecasts. The June Blue Chip Forecast projects inflation to be down from 3.0 percent in 1993 to 2.7 percent in 1994 and at 3.3 percent in 1995.

- The American Automobile Association reported that even after the 4.3 cents a gallon tax increase, gas prices will be down on Memorial Day by 2.7 cents from the year before.

- The Producer Price Index was negative (−0.4%) over the last 12 months and the core PPI was just 0.4% — close to the smallest increase since the government started measuring this series in 1974, when price controls were in place.

- Average prices of finished goods leaving America’s factory gates are lower, in absolute terms, than a year ago.

5. BUSINESS CONFIDENCE IN THE ECONOMY:

- Fortune Magazine finds CEOs of both large and small companies are more optimistic about the future than they have been in nearly a decade. More than 80% of small business and major CEOs report that their own sales are up, and 40% say they plan to hire new employees.

- The most recent Business Week/Harris Executive Poll published in the July 4, 1994 demonstrates broad-based, growing optimism about the future of the economy among business executives around the country. The poll showed that:

  - 90% of the executives surveyed were optimistic about the outlook of the U.S. economy in the next year, up from 83% in December 1993.

  - 44% of the business leaders believe that the rate of growth of the gross domestic product will increase more in the next 12 months than it did in the last 12 months. In comparison, six months ago only 25% of the executives expected higher growth in future 12 months.
• Nearly half the executives plan to increase the number of full-time employees in their company over the next year. In addition, 87% of the executives believe that unemployment will either stay the same or fall over the next year.

• Dramatically, over 90% of the business leaders expect sales in the next year to be higher than sales in the past year and 69% plan to increase investment in plants and equipment.

• 94% reported making a profit in 1993 and over 80% of those say they expect increased profits in 1994.

6. CONSUMER CONFIDENCE:

• Consumer confidence is up to 92.0 on the Conference Board Index for June, the highest in four years. Indeed, consumer confidence is up over 50% since the passage of the economic growth plan in August, 1993.

• People are starting to become more upbeat about job prospects. According to the consumer confidence survey from the University of Michigan, the number of people believing that jobs were hard to get has declined from 41.6% to 29.1%.

• A USA/CNN/Gallup Poll released May 25, 1994 found that more people now believe they are better off economically than at any time since September 1990.

7. BUSINESS INVESTMENT:

• Investment spending for equipment in 1994 is now at the highest level relative to GDP in the postwar period.

• In the first quarter of 1994, investment in equipment was also up a strong 16.1% at an annual rate. Business investment in equipment from the end of 1992 to the end of 1993 was the highest in 20 years.

• Since the beginning of 1993, real business spending on equipment is up 17.8%. Total capital spending reached $592 billion in 1993 (in inflation-adjusted dollars), a near record 12% of the gross domestic product.

• Capital spending will remain strong in the future. The most recent Business Week/Harris poll of business leaders reports that nearly 70% of the executives plan to increase the amount of investment in plant and equipment over the next year.
● Factory capacity growth so far in 1994 is the fastest since 1985. According to economists at Dean Witter Reynolds Inc., U.S. companies have announced plans for more than 60 new plants and 70 plant expansions already this year.

● A Commerce Department report on June 9, 1994 revealed that US businesses plan to lift real investment on new plant and equipment by 8.9% in 1994.

● Federal Reserve Data reveals that "businesses are increasing their borrowing from banks to help finance expansion plans, adding fuel to the economy" and that business loans at the nation's banks rose $20 billion between September and March 23, according to the Federal Reserve. ("Firms Increase Bank Financing for Expansion," Wall Street Journal, April 8, 1994)

8. BLUE CHIP FORECAST:

● The Blue Chip Forecast for June showed solid growth with low inflation for the next two years.

● The Blue Chip forecast for June predicts growth of 3.7% in 1994 and 2.8% in 1995.

● The Blue Chip inflation forecast is lower. While inflation was 3.0 in 1993, it is projected to be down to 2.7% in 1994, and up to only 3.3% in 1995.

9. INTEREST RATES:

● Deficit reduction plan helped lower interest rates and which fueled the interest-sensitive parts of the economy and helped jump-start and solidify economic recovery.

● Over 5 million families were able to refinance their homes at average savings of over $1000 a year, and most are still reaping those savings even as interest rates have moved up, because they refinanced at fixed rates.

● Longterm interest rates today are still far below the 9.9% average of the Bush-Reagan Administrations, while mortgage rates are well below the 11.06% average of the Reagan-Bush era.

10. HOUSING STARTS:

● Housing starts are up 29.0% since January, 1993 after declining -38.5% during the Bush Administration. Housing permits are up 22% over the last year.
11. AUTO SALES:

- Auto sales up almost 17% in the first quarter: Sales of new cars and light trucks are "booming" — up almost 17% for the first quarter of 1994 over the first quarter of 1993, and sales hit a seasonal adjusted rate of 15.9 million units in March. Sales have dropped back in April and May, but are still above year-earlier levels. Earlier in 1994, Chrysler reported its highest monthly vehicle sales in its 69-year history and Ford and General Motors had their highest light truck sales ever.

- Auto jobs have increased by 46,000 over the last 12 months.

12. PRODUCTIVITY:

- Productivity growth in the Clinton recovery has been strong a strong 2.6%, far higher than the 1.6% annual average under the Bush-Reagan Administrations.
COMMENTARY ON ECONOMIC PLAN

Alan Greenspan, Chairman, Board of Governors of the Federal Reserve System, 1/31/94:

"The actions taken last year to reduce the federal budget deficit have been instrumental in creating the basis for declining inflation expectations and easing pressures on long-term interest rates. Although we may not all agree on the specifics of the deficit reduction measures, the financial markets are apparently inferring that, on balance, the federal government will be competing less vigorously for private saving in the years ahead. Partly because of these structural adjustments, the foundations of the economic expansion are looking increasingly well-entrenched."

"The outlook, as a result of subdued inflation and still low long-term interest rates, is the best we've seen in decades." 2/22/94

"The outlook for the U.S. economy is as bright as it has been in decades. Economic activity has strengthened, unemployment is down, and price trends are subdued. In addition, unlike some earlier periods, business spending on new plant and equipment has been an important contributor to growth. This strength in investment will enhance economic efficiency and lay the foundation for the production gains that will bolster the economic welfare of our nation."

( Testimony to the House Budget Committee, 6/22/94)

Robert D. Reischauer, Director, Congressional Budget Office, 1/27/94:

"The deficit picture is significantly brighter than it appeared one year ago when the Congressional Budget Office projected that the deficit would soar above $350 billion by fiscal year 1998. CBO now projects that the federal budget deficit will fall from $223 billion in the current fiscal year to below $170 billion in 1996, then creep up to $200 billion in 1999. The dramatic improvement since last January is largely the result of the enactment in August of a major package of tax increases and spending-cuts—the Omnibus Budget Reconciliation Act of 1993."

Lehman Brothers, 1/10/94:

"To President Clinton's credit, early last year he rejected an either/or construction for U.S. growth versus deficit reduction. Clinton's blueprint for economic revival had as its centerpiece a multi-year program of deficit reduction, but it promised higher growth in the short run. A move to restrain deficit spending, he wagered, would both lower U.S. long-term interest rates and energize U.S. interest sensitive sectors. Lower deficits, lower long-term rates and higher real growth was the overall promise. With the data now rolling in for December 1993, it seems clear that President Clinton delivered on all three counts over the second half of the year."

"The forces of moderation are now intact. We could grow at 2.5% to 3.0% for two or three years or longer without a major glitch."

Business Week, 2/7/94:

"Both Clinton and the economy head into 1994 on the momentum from a strong showing at the end of 1993. Lower long-term interest rates, for which the White House can take partial credit, helped to rev up spending for cars, homes, and durable goods generally, boosting factory orders and production, while better growth in jobs and incomes kept people happy. The good news for the first quarter is that the fundamentals that lifted the economy at the end of last year remain in place, ready to support job growth this quarter."

Business Week, 7/4/94:

"Indeed a new Business Week/Harris poll shows that top managers are far from fearful of the economic future. Fully 90% of the 401 senior executives surveyed were optimistic about the outlook for the U.S. economy in the next year, up from 83% in a similar query last December. Likewise only half of the executives polled expect long-term interest rates to increase over the next 12 months compared with two-thirds of the respondents six months ago."

U.S. News & World Report, 2/14/94:

"The danger is that Washington's ideological clamor will drown out a quiet economic truth: Last year's budget package changed fiscal policy significantly, and the economy is already responding. The yield on a 10-year Treasury note averaged just 5.9 percent in 1993, compared with the 6.7 percent forecast by CBO one year ago and consumer spending moderated to 2.7 percent down from 3 percent that CBO had predicted. Clinton's budget for fiscal 1995 will project a deficit of roughly $178 billion - a dramatic improvement over the $230 billion shortfall that economists predicted just one year ago. Clinton will propose freezing or cutting budgets at 10 of 14 cabinet agencies and eliminating perhaps 115 separate federal programs."

David Stockman as Reported by David Broder, 2/8/94:

"The most upbeat analysis of what lies ahead for America, under his (President Clinton's) policies, comes from none other than David Stockman, the architect of the Reagan administration budgets that the Democrats loved to hate. Stockman, now a New York investment banker, showed up in Washington last week with an economic forecast that he acknowledged is brighter and shinier even than those he produced as Reagan's budget director in the early '80s, which Democrats derided as "Rosy Scenario." At a conference here, Stockman drew a picture of: Steady economic growth through the end of the decade, with little or no threat of inflation. A budget deficit sinking to a "comfortable" and infinitesimal
fraction of the nation's annual economic output. Health care costs under control, especially if Congress passes a stripped-down version of the Clinton plan."

Allen Sinai of Lehman Brothers as Reported by the Washington Post, 3/2/94

"This is the healthiest the American economy has been in 30 years."

Washington Post, 2/14/94

"Slowly, but successfully, the American economy seems at last to have worked through the past two decades' accumulated policy errors and resulting disasters. For the first time in years, official Washington's midwinter forecasts speak of strong performance ahead. One reason for it is the decline in the federal deficit, an achievement being loudly celebrated by the Clinton administration....But there more, and the optimism goes well beyond the White House. The most cautious of observers, Federal Reserve Board Chairman Alan Greenspan, concedes that the foundations of economic growth "are looking increasingly well-entrenched. Robert Reischauer of the Congressional Budget Office, whom one senator described as "somewhat of a dark messenger in the past, sees years of steady growth ahead. Mr. Greenspan points out that core inflation rate is now lower than at any time since the early 1970s .... Next year the CBO calculates, the budget deficit will be smaller in proportion to the size of the economy than in any year since 1979. As a result of those two things, interest rates are low, and business investment is rising powerfully."
Day One: Washington/Departure Speech

Story line for the trip.

The journey moves from D-Day and Tokyo, Brussels and Detroit to Naples. Highlight our progress since Tokyo (economic accomplishments) and point the way for continuing the process of renewal.

Day Two: Riga/Dom Square

Defining civil courage in an age of change.

Draw on the lessons of the heroes of independence, reassure the Baltics on security and economic aid and exhort the citizens to be tolerant and patient in the face of the challenges ahead.

Day Three: Warsaw/Polish Parliament

Integration, security and democracy build renewal.

Build on Brussels and French Assembly. Draw lessons from the heroes of Poland (and all Eastern Europe). Exhort them to find the courage, patience and tolerance to carry on. With freedom comes the responsibility to build for themselves.

Day Three: Warsaw/Uprising Memorial

Draw lessons from the strength and courage of a generation that rose up against tremendous odds. Pledge to carry on their legacy.

Days Four, Five and Six: Naples/G-7 Statements

Define the season of economic renewal.

Illustrate domestic and international progress since Tokyo. Promote vision of job-creating economies that provide our people with the tools necessary to seize the opportunities of the global economy. Push for open markets, open borders, shared prosperity. [News event?]

Day Seven: Berlin/Brandenburg Gate

Summoning the civil courage to embrace renewal

Draw lessons from those who tore down the wall and are building a unified Germany. Support the path they have chosen and urge tolerance and patience for the journey ahead.

Day Seven: Berlin/Inactivation Ceremony

Marking not an end but a beginning in the post-Cold War world. Pledging that America will always be there. Stressing the rich possibilities offered in a new era.
G-7 EMPLOYMENT THEMES AND GOALS

The New Path to Global Economic Prosperity

Overall Theme:

After World War II, the advanced industrial nations embarked on a "positive-sum" global growth strategy premised on open trade and economic development, in contrast to the "negative-sum" isolationism after World War I. Now, at the end of the Cold War, we face another challenge. Most advanced industrialized nations are experiencing either high unemployment (combined with costly social safety nets) or a widening gap between well-educated, highly-paid workers and less-educated, poorly-paid workers. Europeans are split between those who want to preserve a safety net based on passive income support measures and employment security by regulation and those who want to trim back the safety net and de-regulate wages and prices. The Clinton Administration is developing another alternative -- a third path, a new course -- combining activist measures to achieve a more adaptable and better-skilled workforce with efforts to foster free trade, encourage innovation, and to reduce budget deficits. This new approach has the potential to produce more and better jobs.

The Three Essential Elements:

I Expanding Trade and Innovation.
More open trade fosters growth, increases returns to innovation, generates employment, and increases prosperity in both developing and advanced industrial nations. Policies to encourage innovation, the spread of new ideas, and the introduction of new technologies create an environment conducive to expanding high-wage employment.

II Macro-economic Coordination among the G-7.
The United States is successfully taming its budget deficit; Europe and Japan, meanwhile, need to move towards macroeconomic policies that accommodate more rapid economic growth without triggering inflation.

III An Adaptable Workforce.
Micro-economic policies can generate more and better jobs. Every nation has a stake in every other nation creating an adaptable workforce. Adaptable workforces worldwide make it easier for nations to achieve the first two goals.

A. Turning "social safety nets" into springboards to new jobs. A more efficient labor market can be created by moving from passive income support policies to active measures to increase the access of the unemployed to jobs. Rather than providing the unemployed solely with simple income maintenance, we should provide access to job-search assistance, up-to-date labor market information, and quality training to move them as quickly as possible into remunerative new jobs.
B. Life-long learning so that workers can continuously upgrade their jobs and skills. Such an approach requires increased investment in our people through better basic education; an effective school-to-work transition; involving employers in the training of their workforces; and developing a culture of continuous life-time learning.

The three strategic pieces fit together: micro-economic policies to create adaptable workforces encourage open markets and the development and introduction of new technologies; open markets and increased investment in innovation and new technologies create more opportunities for high-wage jobs; fiscally prudent macro-economic policies when combined with the first two can produce faster growth with less inflation.

Creating an Adaptable Workforce: Toward an Agreement on Goals and Measures of Progress

Each G-7 nation commits itself to make progress on creating a more adaptable workforce. Although no single approach is appropriate in all circumstances, each nation will develop measures to monitor progress on the following goals:

1. Improving the quality of initial education: Pre-school programs should be available to assure that all children enter school ready to learn.

2. Reducing early school leaving.

3. Improving the school-to-work transition: All young people leaving school should have marketable skills through strong basic education and through school-to-work apprenticeships or access to quality post-secondary education.

4. Moving from passive unemployment systems to active "reemployment" systems: All the unemployed should have access to active reemployment services -- job search assistance, quality labor market information, and retraining opportunities. Reemployment services should be made available either prior to job loss or as soon as possible after job loss.

5. Promoting lifelong learning: Each nation will attempt to increase incentives for enterprises and workers to invest in continued learning.

Each nation will develop its own measures of progress towards these goals, and will report back annually at each subsequent G-7 meeting concerning gains made in each of these areas. A meeting of relevant ministers will be held next year to discuss lessons learned on how to develop a workforce that can adapt to and prosper from economic change.
MEMORANDUM FOR THE PRESIDENT

via: Tony Lake, Bob Rubin, David Gergen
From: Robert Reich
Date: June 28, 1994
Re: G-7 Employment Themes and Goals

In light of our discussion this afternoon (June 28th), here is a proposed initiative:

Creating an Adaptable Workforce: Toward An Action Plan and Indicators of Progress

All advanced nations are making some progress on the workforce agenda, and we have much to learn from one another. Continuous improvement in building a more adaptable workforce is vitally important to all G-7 nations. Although no single approach is appropriate in all circumstances, each nation should monitor progress on the following goals:

1. Improving the quality of initial education: Pre-school programs should be available to assure that all children enter school ready to learn.

   In the United States, the Head Start eligible population is estimated to be approximately 1.4 million. In 1993 approximately 714,000 Head Start slots were funded. We are committed to expanding the number served while improving quality.

2. Reducing early school leaving.

   We have already set our goal in the Goals 2000 legislation -- increasing the high school graduation rate to 90 percent for the graduating class of year 2000. In 1991 approximately 85 to 86 percent of young adults had a high school degree or the equivalent. The high school graduation rate grew dramatically from 1940 to 1977 and has grown more slowly since then. Thus the goal of a 90 percent graduation rate is real and challenging.
3. **Improving the school-to-work transition**: All young people leaving school should have marketable skills through strong basic education and through school-to-work apprenticeships or access to quality post-secondary education.

Through the recently enacted school-to-work legislation, we plan to create school to work opportunities systems in each state that connect school-based and work-based learning, academic and occupational learning, and secondary and post-secondary learning. The goal is to expand the expand the number of young people participating in school-to-work apprenticeships and attending and graduating from college.

4. **Moving from passive unemployment systems to active "reemployment" systems**: All the unemployed should have access to active reemployment services -- job search assistance, quality labor market information, and retraining opportunities. Reemployment services should be made available either prior to job loss or as soon as possible after job loss.

We are currently implementing unemployment insurance profiling in leading edge states and then moving to all other states. All unemployed job losers (receiving unemployment insurance benefits) shall have access to active reemployment services (job search assistance, labor market information, retraining opportunities) through profiling early in an unemployment spell or through rapid response prior to job loss by 1996 (or 1997). Our welfare reform plan points us in a similar direction in providing individuals with the tools and incentives to move from welfare to work.

5. **Promoting lifelong learning**: Each nation will attempt to increase incentives for enterprises and workers to invest in continued learning.

We need to challenge the private sector to expand on-the-job training opportunities and create a system by which all adults have access to continuing education and retraining opportunities (have opportunity to invest in themselves). We probably can learn much from other nations in improving training opportunities for incumbent workers.

Each nation will develop its own action plan for meeting the goal of creating a more adaptable workforce and will report back at a subsequent G-7 meeting on its approach. The United States can set a leadership example by developing its own measures of progress on the human capital agenda.
SENIOR ADMINISTRATION OFFICIAL: I'm going to talk very briefly about the President's visit to Riga, Latvia, next Wednesday, and then say a few words about another stop on the trip for which I have responsibility -- it's the bilateral with President Yeltsin on July 10, immediately following the G-7 Summit. My colleagues will follow with brief introductory remarks and then we'll be glad to take your questions.

The President's visit to Riga is the first time an American president has ever visited a Baltic country. It's in that sense a highly symbolic visit, both for the Balts and for the Americans involved. I think you know that the United States has had a longstanding relationship with these countries. For 52 years we refused to recognize the Soviet occupation of the Baltic states. And since independence in August and September of 1991, the United States has led the way in trying to support the independence of these countries economically and with security. President Clinton has been in the forefront of those Western leaders who have been arguing for a complete withdrawal of the Russian troops from Estonia and Latvia.

Let me just take you through very briefly the events. The President is going to arrive in the morning. He'll be met by the three presidents of the three Baltic countries. There will be first a bilateral meeting with the Latvian Prime Minister, the signing of a trade agreement, discussion of some of our economic issues. Then there will be a working lunch, which is the main substantive event of his visit, for about an hour and 45 minutes, the President and the three
Baltic Presidents, Foreign Ministers and Prime Ministers --with those countries that have prime ministers.

The major issue, obviously, is troop withdrawals. And just to give you our position on that, the troops are out of Lithuania. There’s an agreement when the troops will leave Latvia by August 31, and we hope very much that the Russians and Estonians will agree to a deal to have the Russian troops leave Estonia by August 31st of this year.

Certainly, the President will want to discuss the Partnership for Peace and the eagerness of these three countries to participate in it. We’ll also be talking about economic support. The President will announce the members of the Baltic-American Enterprise Fund, a $50-million fund meant to stimulate small business.

He’s then going to go and lay flowers at the Freedom Monument, which is a place where many of the rallies for Baltic independence were held between 1989 and 1991. He will then give a speech there in Freedom Square. We expect a very large crowd of Latvians, people coming up from Lithuania and down from Estonia for that. And the visit will conclude with a reception in Latvia for business and cultural and political leaders, mainly from Latvia.

That is a very brief description of the visit to Riga. Let me fast-forward you to July 10th.

Q How many Russian troops are there?

SENIOR ADMINISTRATION OFFICIAL: Left in the Baltics? There are about, I would estimate, 4,000 to 5,000 between the two countries, Estonia and Latvia. But the troops will be leaving Latvia -- in fact, they are leaving now. And we expect them to be out by August 31st.

Q Is there still an exception for that radar station?

SENIOR ADMINISTRATION OFFICIAL: The Latvians and Russians have agreed that the Scrunda ABM radar facility will remain operational for roughly four years, with Russians operating it. But then it will close down. There’s also a transfer agreement. The facility and the territory is obviously Latvian territory and it’s going to be rented back to the Russians.

Let me just hold questions to give my colleagues a chance to brief you, and then we can all take questions together.

Very briefly, at the close of the G-7 Summit there is a day with Boris Yeltsin -- Sunday, July 10th, where the G-7 leaders meet with him. We can go into that if you’d like.
At the conclusion of the G-7 meeting with Yeltsin there is a two-hour bilateral meeting between President Clinton and President Yeltsin -- actually, a 90-minute meeting; I think a 30-minute joint press conference. This will be their fourth meeting. They will have spent Saturday evening together and all day Sunday, focusing on Russian economic reform, and also focusing on Russia's cooperation with the G-7 countries on a number of important foreign policy issues, like North Korea, Bosnia, and the Middle East process.

In the bilateral meeting, I expect that President Clinton will want to discuss, certainly, the economic assistance efforts that we have launched over the past year and a half here in the United States; the very good economic performance of the Russian government over the past six months. As you know, the budget has been very tight, the inflation rate is down, the IMF and World Bank are expanding their programs.

Security issues will be discussed. You remember from the January trip, the President signed with Kravchuk and Yeltsin this historic trilateral agreement that gets the nuclear weapons out of Ukraine. That agreement called for 200 warheads to leave Ukraine for Russia by November. And I believe that nearly 300 have already crossed the border; so we're way ahead of schedule. And that agreement is working and is being implemented.

Certainly they will discuss PFP, and Russia's recent decision to participate in the PFP. And finally, I think the Baltics will be a big issue. The President will have been in Riga, will have met the three leaders. Since the Russian-Estonian talks are not yet complete, I think the President will obviously want to discuss that issue with President Yeltsin, as well as a number of conflicts on Russia's borders -- Georgia, Negorno-Karabakh, Moldova.

That's a brief sketch of the bilateral meeting. Again, at the end of this, I'd be glad to take questions on Russia's involvement in the G-7 Summit, as well. Thanks.

SENIOR ADMINISTRATION OFFICIAL: Very briefly, the President's trip to Poland is an important trip. Poland is an important country for us because it is a central country in the democratic and market economic transformation of what used to be the communist world. Poland has made tremendous progress. There are things yet to do, and the President will be going with a very broad and balanced agenda.

Let me run through some of the events. He will arrive in Warsaw in the afternoon. Immediately after Riga, he will have a bilateral meeting with President Walesa. There will be a state dinner that evening. The following morning, he will meet with Prime Minister Pawlak. He will make a major address at the Polish Parliament, the Sejm. This will be the principal speech of the European trip.
He will then visit one of the monuments to the Warsaw Uprising. The 50th anniversary of that uprising takes place this year, August 1st. That's a very important event for Poles; it was a very important event in World War II history. The President is going to make remarks also out of doors at this monument.

As I said, it is a broad agenda. We expect to discuss security issues and the Partnership For Peace with the Poles, plus economic and some social initiatives that we have been working on very closely with the Polish government, I should say. The President will be discussing these, and we'll have very specific things to say.

This is obviously not the first high-level visit. The last presidential visit to Poland was in 1992. President Walesa was here and met with President Clinton during the opening of the Holocaust Museum. Of course, they met in Prague in January at the Visegrad Summit, and they met briefly during the June European trip. We're looking very much forward to this event.

SENIOR ADMINISTRATION OFFICIAL: Okay, let me fill in the gaps and close out the itinerary. In Naples, at this point, there aren't too many bilateral events planned. The President will meet briefly with Prime Minister Berlusconi, whom he met during the last trip. And that will focus on preparations for the G-7 Summit since the Italians are the host and the chairmen. We expect there will be some discussion of Bosnia. The Italians have an active interest in the ongoing negotiations. They've, of course, been playing a very critical role in hosting the NATO forces that are engaged in the enforcement of the no-fly zone and the exclusion zones in Bosnia. They may, if they have time, get into some discussion of the new Italian government's emerging economic policies.

The other bilateral that's now on the agenda is one with Prime Minister Chretien of Canada. There we expect, again, a discussion of Bosnia, looking ahead to the Summit of the Americas in December, and on some of the economic issues that are active on our bilateral agenda with the Canadians.

I would expect that other bilaterals will materialize impromptu with some of the other G-7 leaders. As you know, these discussions will be taking place a few days after the planned ministerial meeting on Bosnia in Geneva on the 5th. And there's likely to be considerable interest on the part of those who weren't attending that in the future of the peace process. And we're hoping that the G-7 Summit itself will give an endorsement to the Contact Group effort as it moves into a decisive phase.

Of course, as my colleague said, the main event for the G-7
Summit itself on the political side is Russia's involvement. Russia is going to be a participant in discussions with the G-7 rather than meeting after the event, as in previous years, and will be associating itself with the political decisions announced in the Chairman's statement at the conclusion of the summit.

Moving on to the final leg of the trip, Germany -- this will be the first presidential visit to Germany since the fall of the Berlin Wall. It's also an election year in Germany, and the President will be meeting with the major party leaders as well as with Chancellor Kohl.

The focus of his talks with the Chancellor will be on intensifying our bilateral partnership as Germany assumes the presidency of the European Union, which occurs today. The President will also be calling on the newly-elected President Herzog, largely a courtesy call -- a get-acquainted session. President Herzog has been Chairman of the German Constitutional Court, and we are interested in that Court's impending decision on Germany's role in international peacekeeping operations. And, indeed, one theme of our discussions with the Germans is our hope that Germany will play an increasingly role in international affairs, assuming more of the burdens commensurate with its status and size in world affairs.

Both the bilaterals with Chancellor Kohl and the follow-on meetings in Berlin with both Kohl and EU President Delors, the bilateral U.S.-EU summit, will focus on a number of issues. The number-one priority for both sides is intensifying our cooperation in support of reform in Central and Eastern Europe.

In a sense, the U.S.-EU summit will tie in with the opening stops on the President's trip to Riga and Warsaw, with an emphasis on how we can accelerate the process of integrating the new democracies of the East into Western institutions. We expect that the U.S.-EU summit will announce the establishment of groups to study how we can improve our coordination in providing assistance to the democratic and economic reform processes in the East, as well as how we can improve U.S.-EU cooperation across the board as the Union assumes greater responsibilities from the member states under the Maastricht Treaty.

Areas like counterterrorism, fighting organized crime are of particular interest to the Germans and to us, and I think those will be principal topics on the U.S.-EU summit agenda. And, of course, Germany has been taking an active role in support for reform in Russia and Ukraine, and I expect that that, too, will be a key subject on the U.S. EU summit agenda.

There will also be some other events on the Germany trip. The President will have a private visit to Chancellor Kohl's home in Oggersheim. And then on the way from Bonn to Berlin, he will stop off
at Ramstein Air Force Base for a brief visit with American troops.

In Berlin, he'll give a speech at the Brandenburg Gate, which will be occasion to celebrate the newfound freedom in the East and to stress the goal of integrating the new democracies in the West. The President will also visit the newly reconstructed Oranienburger Synagogue in Berlin to recall the Holocaust and to stress the importance of rooting out racism and ethnic hatreds in Europe. And finally, the President will participate in a ceremony to commemorate the inactivation of the Berlin Brigade. This is part of the process of the completion of Germany's unification, and will tie in with the final departure of Russian and other allied forces by September of this year.

Q What is the brigade?

SENIOR ADMINISTRATION OFFICIAL: It's the last remaining American unit in Berlin. It's been there since the '40s.

Q What does Yeltsin want to take away from the G-7 political discussion concrete -- is there something concrete he wants? And is this a step toward making it the G-8?

SENIOR ADMINISTRATION OFFICIAL: I think Yeltsin wants a couple of things. Clearly, he certainly is pleased, as is President Clinton that President Yeltsin and the Russian government will play a larger role in the G-7 summit than it has ever done before, in the past four years, I think, when Russian and Soviet leaders have been present.

There's a qualitative difference. At previous summits, Russian Soviet leaders came and they described their programs, and their programs were commented upon, both in communiques and in private meetings. This year he comes as a full participant in the political discussions. So the discussions of global issues, like North Korea and Bosnia and terrorism. He also, I think, will take the opportunity to present his own views on where Russia is headed economically. Certainly he wants to do that. And there will be a good deal of discussion on that.

And as my colleague mentioned, the G-7 chairman and the Italian Prime Minister will then issue statement that expresses the common position of Russia and the G-7 on these issues. And that is a first. It is something that the Russians wanted, and it's something that the United States, and specifically President Clinton felt was important to have evolve. So that, I think, is a very important symbolic step for Russia.

Second, President Yeltsin, I think, believes and has discussed with President Clinton a number of times that Russia and the United States, specifically but Russia and the West in general, have got to
have a way to continually discuss some of the problems for which we both obviously have some responsibility, like Bosnia. And like the situation in North Korea. And I think that we agree now after some of the problems we had back in February in communication, that we've had very good communication on Bosnia with the creation of the Contact Group, and that we need to have regular communications. And the G-7 Summit is a place to do that.

I don't believe this leads inevitably to a G-8, a full G-8. I think that the United States is pleased the present arrangement. I think that Russia is pleased with the present arrangement as well.

Q Why won't it lead to it? I mean, isn't it inevitable?

SENIOR ADMINISTRATION OFFICIAL: I don't know if it's inevitable or not. I mean, it may be -- the G-7 has not made the decision to expand. If it does expand --

Q You certainly are taking Russia into the fold here.

SENIOR ADMINISTRATION OFFICIAL: If the G-7 does expand, there are a number of countries that might be new members. I think there has been a decision that Russia must be more closely involved. There's been a way worked out to do that. But it does not mean that in Naples, we're going to announce the creation of a G-8. In fact, that will not be the case.

Q Is it accurate to see this as an economic G-7 now, and a political G-8?

SENIOR ADMINISTRATION OFFICIAL: Not totally, because the G-7 leaders, when they meet alone on Friday evening and Saturday, are going to discuss economic and political issues. The communique on Saturday will refer to economic and political issues. And conversely, on Sunday, when President Yeltsin is participating, it won't be solely political.

As I said, one of his biggest issues is to make sure that the G-7 continues to support vigorously Russian economic reform. And he's going to want to describe his program and I think he's going to look to the G-7 leaders for continued affirmation that they're going to be there. So it's not as clean as a lot of people have been saying. Political and economic issues are going to be discussed on both sides of this summit.

Q Did you say something about Chernobyl? You know, the problem and Ukraine in a larger sense, with its problems -- is there anything that will be done in their behalf?

SENIOR ADMINISTRATION OFFICIAL: Yes, I'm glad you mentioned it,
actually. I should have said that in my short briefing. I think another way that this summit differs from last year’s and the year’s before is that Ukraine is going to be a major focus of the G-7 attention in two respects.

The G-7 has been trying to work out with Ukraine an agreement on energy in general; but specifically, to see if it’s possible to shut down the four nuclear reactors at Chernobyl in return for Western assistance to try to improve the safety at nuclear power plants in Ukraine and diversify energy resources. This is a major issue. It requires a lot of negotiation and a lot of money. And I think we are close to an agreement in the G-7 that we ought to go forward with it.

Secondly, there is an increasingly strong view in the United States government -- and I think it’s shared by the Germans and some others -- that Ukraine is a very, very important country for us in many respects. You’ve seen President Clinton express that with two meetings with Kravchuk in the last six months, a doubling of American economic assistance, the signing of a trilateral agreement.

I think the G-7 leaders will express their strong support for an independent Ukraine. I think they will also, in effect, challenge Ukraine to reform its economy. Most of us believe that the great threat to Ukraine’s long-term future is the fact that it has not reformed. It is alone in that, really, in Eastern Europe and the former Soviet Union. The economy is disintegrating. We believe that they must make some determined efforts. And the G-7 will essentially challenge them to do that, and promise, I think, that there will be a major response from the G-7 -- supportive response, with money -- if they should do so.

Q You said affirmation of Ukraine independence. Is that a loaded -- is that a political thing now with Kravchuk and the people against him, pulling toward Russia? Is that designed to --

SENIOR ADMINISTRATION OFFICIAL: No, I don’t mean to give it that inflection.

Q I’m asking you if that’s the intention, you think?

SENIOR ADMINISTRATION OFFICIAL: I think that it’s fair to say, if you talk to the Ukrainian leadership and Ukrainians in general, they have felt a little bit neglected over the past two or three years by the West. President Clinton has made, as I said, a really strong effort to turn that around, both with his personal attention to the issue and with money. Ukraine is now the fourth largest recipient of United States foreign assistance anywhere in the world.

Q How much?
SENIOR ADMINISTRATION OFFICIAL: Well, this year, in 1994, the United States is providing $700 million in assistance to Ukraine -- $350 million in economic assistance, and $350 million in --

Q Is that aid of all --

SENIOR ADMINISTRATION OFFICIAL: I'm talking about, yes, I'm talking about security and economic assistance levels -- and $350 million in Nunn-Lugar assistance. And a proportion of assistance that Ukraine receives next year, if the Congress agrees with us, will increase. And so, we are trying to signal its importance.

Q The 350 number is above the 700?

SENIOR ADMINISTRATIVE OFFICIAL: No, it's included in it -- 350/350.

Q Russia?

SENIOR ADMINISTRATIVE OFFICIAL: Russia, yes.

Q How much money's involved in the Chernobyl clean-up?

SENIOR ADMINISTRATIVE OFFICIAL: That's the $64,000 question. The G-7 is trying to work out with Ukraine how much --

Q You're only giving them $64,000? (Laughter.)

SENIOR ADMINISTRATIVE OFFICIAL: But, it's not $64,000. (Laughter.) Here's the way it works. The deal is going to be that Ukraine, we hope, will agree to shut down the Chernobyl reactors. In return, of course, Ukraine is going to have to make up the energy that it loses from that facility. It will want to, obviously, improve the performance of existing power plants and diversify its energy resource. It's going to cost some money to do that. We in the G-7 are willing to put money into it.

The key question is, how much do we think it's going to cost to accomplish all this. And that will be the first thing that we, I think, will negotiate with the Ukrainians after the summit.

Q Do we have any new initiatives to offer at G-7?

SENIOR ADMINISTRATIVE OFFICIAL: On Russia and Ukraine?

Q On anything.

SENIOR ADMINISTRATIVE OFFICIAL: Well, I can't speak to the other issues. I think that Tony and Bob Rubin spoke to growth and jobs MORE
and so forth. But I can speak to Russia and Ukraine. The Ukraine initiatives are new, and -- the two that I talked about. On Russia, there's not going to be a pledging session this year. Last year we came up with a $43 billion program, $30 billion of that has been approved by Western governments and financial institutions, which is a fairly good record.

This year the emphasis is going to be, with Russia, on implementing that $43 billion program, and on, perhaps, expanding the capacity of the financial institutions to do more.

Q Can we hear a little bit more about Poland? You said that there are some very specific -- the President was going to say some very specific things, but I didn't hear anything very specific. And also, is still taking Lane Kirkland with him? I remember he invited him. Is he going -- why is he going? What's he going to do there?

SENIOR ADMINISTRATIVE OFFICIAL: Well, let me answer the second question first. Lane Kirkland, at my latest understanding, will be there in Poland.

Q Is he going with the President?

SENIOR ADMINISTRATIVE OFFICIAL: He won't be going on Air Force One. My understanding is he's getting there on his own. But Lane Kirkland has especially close relations with the President Walesa and was involved in Poland from the Solidarity days and the martial law days. And he has made tremendous contributions, and still is. So he is certainly going to be there with the President during the trip.

Now, as far as the initiatives go, yes, there are going to be a series of concrete things in the economic side in support of trade and investment and some initiatives to help the Polish government work through some of the social dislocations that have accompanied the collapse of the old system. So there will be some specific things that we've been working to put together very closely with the Polish government over the last couple, or the last few months.

Q What is his message there?

SENIOR ADMINISTRATIVE OFFICIAL: His message, his primary message is that Poland made a strategic choice in 1989 to proceed toward the West through democracy and a market economy, and that choice is valid. That road is open. That is the message that it is we do not see Poland or the other democracies of Central and Eastern Europe falling into what the Poles sometimes call a grey zone of insecurity that that's -- we don't believe in vetoes by Russia or anyone else or spheres of influence or divisions.
And that's all -- that's certainly not our policy. We look at Poland as one of the leaders in the process of building a new democratic free market community in that part of the world.

Q What is the principal anxiety, the nature of the principal anxiety that the Poles feel right now? Is it the possibility of a military problem that they might have, or is it economic concerns? What?

SENIOR ADMINISTRATION OFFICIAL: That's a complicated question. But I don't think that the Poles feel militarily threatened in an immediate sense at all. I don't think that that's the problem. I think that there is a general sense of insecurity which has several sources. One is geography and history. And I don't want to suggest that the Poles are prisoners of the past, but Polish history gives them something to think about.

Secondly, there is a natural insecurity, I think, that comes from the developments of the last four years. This is a society which, like all the other societies that have been turned inside out and upside down -- in Poland's case, they happen to have something to show for it. Whereas in Ukraine's case, you have the down sides without any of the accomplishments because they didn't do what Poland did in '89 and '90, which is take that plunge, which does pay off. Still you have a society under stress and you have -- Poles feel anxiety about the East and about the future there, and these things come together. Our message is that we do take their security seriously.

Q If you asked a leading Polish political figure what was the next dangerous development that would occur, what would it be?

SENIOR ADMINISTRATION OFFICIAL: The next dangerous --

Q The thing they most fear, that they think could happen next.

SENIOR ADMINISTRATION OFFICIAL: It depends on which person you ask. I mean, they don't trot out the same line. Some of them will talk about a deterioration in Russia, and they'll point to Zhirinovsky and the elections and all of that. Others will say, it isn't just Russia, it's chaos in the East, which is a concept that we Americans have some trouble with, but they understand --

Q Why don't we understand --

Q We don't have it.

SENIOR ADMINISTRATION OFFICIAL: Well, we have sort of low level all the time. So you get different views. Other Poles --

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Q They also have more political than economic.

SENIOR ADMINISTRATION OFFICIAL: Well, but it's also driven by -- I think it's driven by economic insecurities. I mean, this gets -- we could talk at great length about this, but I think a sense of insecurity also comes from the fact that a lot of people lost their jobs and they're worried about their future. And connected with this is a kind of existential worry about what's going to happen to the neighborhood.

Q Will this be big bucks for the Poles in terms of bilateral assistance from the U.S.?

SENIOR ADMINISTRATION OFFICIAL: Big bucks for the Poles in terms of bilateral assistance? I mean, the short answer to that is, no, if you define big bucks in terms of billions of dollars coming out of the U.S. budget. But we also have been working very closely with, and are continuing to work very closely, with the international financial institutions.

Q Can we get back to Russia for one more question? Is Chernomyrdin going to be on this trip? And could you just give us a thumbnail feeling right now of -- with the economic reforms that seem to be having some effect, to what extent is that driven by Chernomyrdin himself, vis a vis Yeltsin? Does Yeltsin now have an active role in driving economic policy --

SENIOR ADMINISTRATION OFFICIAL: I don't believe Chernomyrdin is going to be part of the delegation. He wasn't last year. Normally, he and Yeltsin don't travel together. One stays in Moscow while the other travels. And that's not a surprise to us that he wouldn't be there. He was here last week, and had, I think, with the Vice President one of the most successful U.S.-Russia meetings ever -- if you look at what we accomplished together with the creation of the space station, the decision to shut down the plutonium production reactors, the announcement of a $10-billion off-shore oil and gas deal. We have finally gotten to the point where we're really making concrete progress in a number of areas.

He's a key player. I think he surprised a lot of people. When he came in, in December '92, a lot of people thought he was going to be a two or three-month wonder. He has turned out to be the central economic player in the Russian government. He's a very strong person. He's decisive; he has got the budget under control; he defied the military on the budget; he got it through the Duma and the Federation Council when people said he couldn't do it. And he's got inflation down to single digits, monthly basis -- single digits for the last four months.

Yeltsin is the person who is the architect. He's the one who I
think has given the instructions to keep to economic reform. Chernomyrdin’s the day-to-day manager of the economy. So I think it’s a fairly effective team.

Q Will there be any move at the G-7 to create an elaborate package like was created for Russia in past years of economic help -- money from everybody and then a big IMF sort of thing?

SENIOR ADMINISTRATION OFFICIAL: For?

Q Ukraine.

SENIOR ADMINISTRATION OFFICIAL: Ukraine. It’s going to be more in the -- it’s going to be in essence, as I said, the G-7 urging Ukraine to reform it’s economy, to take the decisive historic step to do so, and the G-7 saying, we will come through with major substantial assistance should you do that. Be we will not announce a detailed package the way we did last year for Russia, because Ukraine hasn’t reformed yet. And our belief is that they’ve got to take the step before we can meet the commitment.

Q The energy part of this is not dependent on their reform?

SENIOR ADMINISTRATION OFFICIAL: Correct. The energy part -- the Chernobyl initiative is not dependent upon the status of the economic reform.

Q In Latvia, Is the President going to raise any concerns about the new citizenship requirement for Russians in that country?

SENIOR ADMINISTRATION OFFICIAL: The President has already raised his concerns privately with the Latvian government about the citizenship law. We were very pleased that the Latvian president returned that law to the parliament three days ago. In our judgment, it was a very bad law and did not fulfill what we think is a fundamental responsibility of the Baltic governments, and that is to ensure that the ethnic minorities, the Russian, Ukrainian and Polish minorities in those countries have a fair shot at citizenship and having a full life in participating in the country. So I think that issue will come up again. It’s an important issue for us.

Q And you said the Prime Minister returned the law?

SENIOR ADMINISTRATION OFFICIAL: The President, President Ulmanis, returned the law to parliament and asked them to redraft it. We were very pleased by his action.

Q Is that a veto, in effect?
SENIOR ADMINISTRATION OFFICIAL: In effect, I guess -- it may be
the Latvian equivalent of what we would know to be a veto. Essentially
what it means is, he refused to sign the law, and he said I don't want
this law to go into force, I want the parliament to rewrite it and to
send it back to me in some other form.

And we were pleased by that. We were not alone. I think all
the European governments and the CSCE felt that that law was going to be
injurious to the ethnic populations.

Q Could you tell us how likely it is that the Russian
troops will be, in fact, removed from Estonia by the end of August, and
what the issues at play are?

SENIOR ADMINISTRATION OFFICIAL: They'll definitely be out of
Latvia. Estonia -- the negotiations continue. I just want to reaffirm
our position. It's terribly important that the troops be out by August
31. That was the deadline set by the Russian government. We think
there's a fundamental principle at stake here in the post-Cold War era.
If troops of one country are deployed on the soil of another country, it
has to be with the express consent of that second country.

That is clearly not the case with Estonia and with Latvia. And
therefore, we think as a general principle of international behavior the
Russian troops ought to leave. Now, obviously we want that to be done.
We think it should be done negotiation, by a mutual agreement. It's
better if that agreement is written down and spelled out. And we're
very hopeful that that will happen by the 31st.

Now, the President has an opportunity, obviously, in meeting
with President Meri of Estonia in Riga on July 6th, next Wednesday, and
then meeting with President Yeltsin four days later, to raise the issue
with both countries.

I think it's fair to say our view is it takes two to tango.
Both sides are responsible for successful negotiations. We think there
are issues that both sides can compromise on. We do think it's doable.

Q Why more optimistic with obviously Latvia and Lithuania
and not Estonia?

SENIOR ADMINISTRATION OFFICIAL: Okay, let's just review the
facts. The Russian troops withdrew from Lithuania on August 31st of
1993 -- they're out. Russia and Latvia on April 30th signed a troop
withdrawal agreement. There's no question that the troops will be out
of Latvia. There's an agreement been signed. What is missing in this
equation is an agreement between Russia and Estonia. The issues are
status of the Russia military retirees -- will they get to stay, will
they have to leave, the status of a naval nuclear research facility called Paldiski, and also the availability of housing for Russian officers returning to Russia.

Now, let me just say there, you remember Vancouver, President Yeltsin asked President Clinton for some assistance in housing. President Clinton went to the Congress last year, go $160 million to provide 5,000 houses. And we are providing those houses through a combination of vouchers that we are giving to Russian officers in Estonia and Latvia to leave this summer, take a voucher, buy a house or an apartment in Russia with it. And we're also constructing some apartment units in -- Novosibirsk in Russia. We think the contribution of our housing units has actually accelerated the negotiations both with the Latvians and Estonians.

Q  These negotiations, I presume, are ongoing.

SENIOR ADMINISTRATION OFFICIAL: Yes, they are.

Q  Where are they?

SENIOR ADMINISTRATION OFFICIAL: Well, they're meeting in Talon and Moscow; they're meeting in Geneva this coming week. And there are letters and phone calls back and forth between the two governments; they're very active.

Q  I think you mentioned briefly Moldova, Negorno-Karabakh, Armenia. The question is not so much about G-7, which doesn't seem to be the place, but the meeting in Germany with the European Union -- will there just be discussion? Is there a common position? Might we see a common -- I ask because of the Russians now being in the Partnership for Peace. Does Europe have or will this be an opportunity for the Europeans to take a position on Russian intervention -- or call it what you will, peacekeeping -- in these former republics?

SENIOR ADMINISTRATION OFFICIAL: Maybe my colleague and I can join together in this answer.

SENIOR ADMINISTRATION OFFICIAL: Well, I think at the G-7 Summit there will be some talk about these conflicts. I'm sure there will be some talk with President Yeltsin about Georgia, Negorno-Karabakh, Moldova, the Baltics because the international community has some legitimate concerns about the way some of these conflicts are being resolved. And obviously, each are different, and we have slightly different positions on each; but we have some concerns. And so they'll be discussed.

Q  What I mean is will there be some endorsement as Russians as peacekeepers now maybe under a NATO --

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SENIOR ADMINISTRATION OFFICIAL: No, I don't believe so. I don't believe we're close to that.

Q Will he meet with opposition leaders in Germany?

SENIOR ADMINISTRATION OFFICIAL: Let me just say, this will, I think, be more of an issue at the G-7 among the seven, and it's one of the political issues that may not be exclusively for the G-7 plus one -- the whole issue of international peacekeeping worldwide and in Europe, where, as is well-known, we want to see either the U.N. or the CSC be the mandating organization. That may be discussed with President Yeltsin in the G-7 plus one. Whether there will be a meeting of the minds, we shall see.

It has not traditionally been as big an issue in the U.S-EU dialogue. We deal with it at NATO and in CSC, proper. But it may well come up in Berlin.

Q Can I just double-check something? Were you suggesting that he is not going to have separate bilaterals with all the G-7 leaders?

SENIOR ADMINISTRATION OFFICIAL: None are formally scheduled. I think there will be more in --

Q You didn't mention the Japanese prime minister.

SENIOR ADMINISTRATION OFFICIAL: There will, since I'm Eurocentric. There will be a bilateral with the new Japanese Prime Minister. There was one scheduled with the previous one, and I assume that the slot is being held for the new one. But the President spoke with the new Prime Minister on the phone yesterday, and they apparently had a good conversation.

Q But not Major and Mitterrand?

SENIOR ADMINISTRATION OFFICIAL: Not yet scheduled. They see plenty of each other. They just hosted the President in their countries. And there's plenty of time, with dinners, all-day meetings on Saturday, to have lots of conversations.

Q Opposition leaders in Germany?

SENIOR ADMINISTRATION OFFICIAL: The President will have sort of an extended photo op with each of the major leaders --Kinkel, head of the Free Democrats; Waigel, head of the CSU; and with Sharping, the SPD leader. They're being called photo ops, but there will be time for a small but serious discussion.

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Q: Can you talk a little bit about what you’re expecting on Bosnia?

SENIOR ADMINISTRATION OFFICIAL: At the G-7, or --

Q: At the G-7.

SENIOR ADMINISTRATION OFFICIAL: Okay, well, the main action next week will be in the ministerial in Geneva. And there we hope that the ministers of the Contact Group participants -- U.S., EU, and Russia -- will reach agreement on the map that’s been developed by their representatives; and at least preliminary agreement on the kinds of consequences that the parties would confront in the event they’ve refused to go along with the proposal. This would not be a take it or leave it proposal. There could well be a follow on ministerial meeting later in July after the parties have had some time to reflect on what the ministers had approved. The ministers would not themselves meet with the parties. The contact group would later, in the same day, meet with the parties.

So at the G-7, I expect there will be some discussion about the prospects for this process and about the implementation of some of these threatened measures, including tightening of sanctions, more strict enforcement of the exclusion zones, and, at the final rung of the ladder, possible lifting of the arms embargo.

Canada and Italy, obviously, have very direct interests -- Canada being a member of UNPROFOR; Italy providing its bases. They are not a part of the contact group so, therefore, I think they will want to have a serious discussion of this. And, as I said, we hope that the G-7 and the G-7 plus one, for that matter, will endorse the Contact Group effort.

Q: On Russia, I wanted to clarify -- you were saying that G-7 wants to support an expanded capacity of lending institutions to support Russia in some way. Specifically, how do they want to do that? How much more do they want to see the IMF or World Bank kick in?

SENIOR ADMINISTRATIVE OFFICIAL: I probably think it’s best to get into that when we get to Naples because there needs to be some further discussion in the G-7 about that. But, in general, we think that both the IMF and World Bank ought to play the lead role on the key issue of macroeconomic stabilization, that the needs in the East, both in Central Europe and the former Soviet Union, are sufficiently great to warrant some further action.

This is not a comment on the quality of what they’ve been doing. I think the debate that we had certainly in this government and other

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governments in the past is really kind of over. The IMF and World Bank have made a fundamental commitment to Russia, at least, and they want to make to Ukraine if Ukraine reforms. And I think we're very pleased with what the IMF and Bank have done.

Q Isn't the next step for Russia a normal IMF agreement?

SENIOR ADMINISTRATIVE OFFICIAL: Yes. The next step for Russia is what they call a stand-by agreement. I think the IMF and Russia would like to achieve that by the end of this calendar year. It would be worth about $4 billion in IMF lending to Russia. The further step beyond that would be Russia's decision to convert the ruble which would -- and we would respond with a $6 billion currency stabilization fund.

Both of these items -- the $4 billion and the $6 billion were part of last year's $43 billion package. And we'll be giving you in Naples a fax sheet that spells out what we promised last year, what money's been approved, what money's been disbursed, and the remaining sum. And I told you, there's a $43-billion commitment, a $30-billion response. Ten of the $13 billion that hasn't been disbursed represents the stand-by in the Currency Stabilization Fund -- four plus six.

Q Can I ask a about the SDR allocation? Will we change our position on that in order to try to get more reserves freed up?

SENIOR ADMINISTRATIVE OFFICIAL: I'd refer you to Treasury on that. But it's certainly an issue that's going to be discussed, and we hope, positively, in Naples.

END11:21 A.M. EDT
Global Prosperity in the Long Run

The President's purpose in Naples is to lay the foundations for the economy of the 21st Century; to create the basis for global prosperity in the long run.

To this end, the President believes that four themes should be part of the G-7's agenda:

1. The Global Recovery and A Common Strategy for Growth and Jobs

   - Our growth strategy from last year has worked. Growth in the G-7 this year will average 2.5%, up substantially from the 1% achieved in 1993.

   - The growth strategy is working better in the United States, where it has been more fully carried out, than elsewhere. The United States created all the jobs in the OECD countries in 1993, and productivity grew faster last year in the US than in Japan, the EU or Canada. We have accounted for 75% of the output growth in the G-7. And we have the second smallest budget deficit in the G-7.

   - G-7 leaders will reiterate their commitment to the GATT and to ratification of the Uruguay Round. This will bring major benefits for the world economy and for the US. It is equivalent to a $744 billion tax cut over the next decade for the industrialized countries. For the US, it means an additional $100-200 billion in income over the next decade, which amounts to $1700 per family over 10 years. It will also create an additional 500,000 in the US over the decade.

   - We are working to make the recovery enduring by preparing our economies to meet the challenges of the 21st Century. At the Jobs Conference, we reached agreement on the structural changes necessary for long run growth. At the G-7 meeting, we will discuss a growth strategy combining macro-economics, trade, and workforce investment. At the next G-7 meeting, we will discuss action programs to make this a reality.

   - We expect that leaders will begin consideration of the future evolution of the world trading system. This could involve both an emphasis on the need to advance progress on the unfinished work of the Uruguay Round
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**FOLDER TITLE:**
G-7 Background

**RESTRICITION CODES**

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<td>b(3)</td>
<td>Release would violate a Federal statute [(b)(3) of the FOIA]</td>
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<tr>
<td>b(4)</td>
<td>Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]</td>
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<td>b(6)</td>
<td>Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]</td>
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<tr>
<td>b(7)</td>
<td>Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]</td>
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<tr>
<td>b(8)</td>
<td>Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]</td>
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<tr>
<td>b(9)</td>
<td>Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]</td>
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</tbody>
</table>
II. STAGE TWO: OTHER EXPERTS

William Echikson
Author of *Lighting the Night: Revolution in Eastern Europe*; has reported from Europe since 1982

Jeffrey Goldfarb
Author of *After The Fall: In Pursuit of Democracy in Central Europe*; professor at the New School for Social Research in New York

Stephen Graubard
Editor of Harvard’s *Deadalus*, edited a book on Eastern and Central Europe

Anatol Lieven
Author *The Baltic Revolution*. Correspondent for the *Times of London*

Czeslaw Milosz
Lithuanian poet and novelist; won Nobel Prize for Literature in 1980

Roman Szporluk
Professor of Ukranian History, Harvard University. Author of *Communism and Nationalism: Karl Marx vs. Friedrich List.*

Vladmir Tismaneanu
Author of *Reinventing Politics: Eastern Europe from Stalin to Havel*; professor at University of Maryland

Piotor Van Dyz
Professor at Yale; author of *The U.S. and Poland*

Professors at UC Berkeley:

Ken Jowitz (Scholar on Communism)
Nicolas Riasanovsky
Martin Malia
Yuri Slezkine