
Clinton Presidential Records Mandatory Declassification Review

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Those documents released with redactions have been restricted under Sections 1.4 (c), (d), and/or 3.5 (c) of E.O. 13526.

BIOGRAPHIC HIGHLIGHTS

COUNTRY: Czech Republic
NAME: Josef ZIELENIEC
DATE OF BIRTH: 28 April 1946
POSITION: Minister of International Relations

COMMENTS:

Zieleniec was born in Moscow (where his parents were living at the time) and is a graduate of the Prague School of Economics. In 1973 he began working for the Research Institute of Engineering Technology and Economics where he specialized in mathematical applications. In 1986 he received his Ph.D. in microeconomics from the Economic Institute of the Czechoslovak Academy of Sciences where he then began to work as a scientist. In January 1990 he transferred to Charles University in Prague and founded the Center for Economic Research and Postgraduate Education, the first Western style department for doctoral work in Czechoslovakia; he is currently its director. In 1991 he joined the social sciences faculty as an economics lecturer. He first entered politics in 1990, joining with Vaclav Klaus to found the right-wing Civic Democratic Party (ODS). He is a member of its executive committee and since November 1991 the party's deputy chairman. His wife is a college teacher; they have no children.

Mart LAAR
(Phonetic: lahr)

ESTONIA

Prime Minister (since 19 October 1992)

Addressed as: Mr. Prime Minister

Mart Laar, who was instrumental in engineering the nationalists' victory in the September 1992 parliamentary elections, must use his considerable coalition-building skills to keep his potentially fractious cabinet together as Estonia undergoes what is likely to be a difficult winter. A Christian Democrat and nationalist who has expressed an affinity for neoconservatism, Laar cobbled together the Patriotic Union, an electoral bloc of five center-right parties that has the largest faction in parliament. He secured the prime-ministership after he allied his faction with two others.



[Redacted]

1.4c, 1.4d, 3.5c

Laar was born on 22 April 1960 in Viljandi, in southwest Estonia. His avid interest in the "blank spots" in Estonia's recent past—subjects that were taboo during the Soviet era—fired his nationalist fervor and eventually brought him into conflict with the Communist authorities. A graduate of Tartu University with a degree in history, Laar has attempted to document anti-Soviet resistance, which caused him to lose his teaching post at his alma mater. He gained fame in 1988 when he was threatened with an indictment for anti-Soviet "slander" after his articles were published in the reformist press. Laar was a member of the Supreme Council during 1990 - September 1992 and led the nationalist Fatherland faction. [3.5c]

In addition to his native Estonian, Laar speaks English and Finnish. He has visited the United States at least twice, in 1989 and 1990. His book on anti-Soviet partisans in Estonia in the 1940s and 1950s, *War in the Woods*, was published in the United States recently. Laar and his wife, Katin, have two children. [3.5c]

LDA M 92-15059
22 October 1992

[Redacted]

3.5c

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PER E. O. 13526

2016-0029-M (2.05)
2/27/2017 KBH

Arpad GONCZ
(Phonetic: goontz)

President (since 1990)

Addressed as: Mr. President

Arpad Goncz, a founder of the opposition Alliance of Free Democrats, was nominated by Prime Minister Jozsef Antall and became acting head of state at the inaugural session of the National Assembly in May 1990. In August of that year, Assembly deputies elected him to a full five-year term following the failure of a referendum that would have provided for the direct election of the president by the Hungarian people. Since his election, Goncz has attempted to clarify the role of president as Commander in Chief of the Hungarian Defense Forces; define presidential responsibility for the appointment or dismissal of government officials; and, in general, maintain the presidency as part of a democratic system of checks and balances. A staunch proponent of constitutional democracy, Goncz has taken great pains to emphasize his determination to remain above party politics.

A dramatist and playwright, Goncz is affectionately referred to by some as the grandfather of his country. However, the local press reported that, at an October 1992 ceremony held in front of parliament to commemorate the 1956 revolution, Goncz—the keynote speaker—was jeered by a crowd of rightwing extremists. He eventually stalked off the podium without giving his speech and has since been criticized for not attempting to overcome the disruption. Nevertheless, Goncz consistently ranks in opinion polls as one of Hungary's most popular politicians.

Goncz has told the press that Hungary's top foreign policy priority is winning full EC membership and gaining access to West European markets, achievements he views as crucial to the

rebuilding of his country's economy. He has emphasized his conviction that the key to lasting peace is resolution of the treatment of ethnic minorities, saying that "if Europe can solve this problem, then it can solve any problem in the future." Goncz has expressed affection for the United States and has traveled to this country many times.

Goncz was born on 10 February 1922 in Budapest. He earned a doctorate of laws in 1944. Subsequently, he fought in Hungary's anti-Nazi resistance; following the Communist takeover in 1948, he became a welder and then studied horticulture. In 1958 he was sentenced to life imprisonment for his participation in the 1956 revolution. During his years in prison, Goncz taught himself English and occupied himself by translating English literature into Hungarian. He was released under a general amnesty in 1963 and, still barred from practicing law, found work as a translator. Goncz speaks English. He and his wife, Maria Zsuzsanna, have four children.

23 December 1992

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CLINTON LIBRARY PHOTOCOPY

NATIONAL SECURITY COUNCIL

02-Apr-1993 10:11 EDT

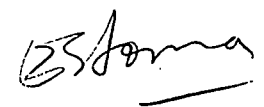
~~CONFIDENTIAL~~

MEMORANDUM FOR:

VAX_MAIL@OEOB
SANNER@A1@OEOB
GATI@A1@OEOB
FICKLIN@A1@OEOB
BURNS@A1@OEOB

FROM: White House Situation Room
(WHSR@A1@WHSR)

SUBJECT: LETTER FROM PRESIDENT MERI



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AMEMBASSY TALLINN

<TO>
SECSTATE WASHDC IMMEDIATE 1501
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LETTER FROM PRESIDENT MERI

<TEXT>

~~CONFIDENTIAL~~ TALLINN 000549

E.O. 12356: DECL: OADR

TAGS: PGOV, EN

SUBJECT: LETTER FROM PRESIDENT MERI

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.
2. WE HAVE BEEN GIVEN THE FOLLOWING LETTER FROM PRESIDENT MERI FOR PRESIDENT CLINTON CONCERNING THE VANCOUVER SUMMIT.

3. BEGIN TEXT:

HAVING JUST LISTENED WITH GREAT INTEREST TO YOUR SPEECH ON AID TO THE COUNTRIES WHICH HAVE EMERGED FOLLOWING THE COLLAPSE OF THE SOVIET UNION, I WANTED TO SHARE WITH YOU SEVERAL OF MY REACTIONS. FIRST, I AM VERY GRATEFUL THAT YOU SEE THE ISSUE OF STABILITY AND DEVELOPMENT IN REGIONAL TERMS RATHER THAN IN TERMS OF THE RUSSIAN FEDERATION ALONE. THAT IS TERRIBLY IMPORTANT. SECOND, I WELCOME YOUR CALLS FOR COOPERATION TO ENSURE THAT DEMOCRACY AND ECONOMIC DEVELOPMENT CAN PROCEED. WE IN ESTONIA ARE DOING EVERYTHING WE CAN TO PROMOTE THOSE VALUES. AND THIRD, I WANT TO BRING TO YOUR

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PER E.O. 13526
2014-0656-M (1.02)
2/27/2017 KBH

CLINTON LIBRARY PHOTOCOPY

ATTENTION SEVERAL OF OUR CONCERNS WITH REGARD TO THE UPCOMING SUMMIT.

I UNDERSTAND JUST HOW IMPORTANT THE STABILITY OF RUSSIA IS TO YOU AND TO THE ENTIRE WORLD, BUT I HOPE THAT YOU AND YOUR COLLEAGUES UNDERSTAND THAT STABILITY THERE WILL NEVER BE REAL IF IT IS PURCHASED AT THE COST OF ALLOWING RUSSIA A FREE HAND IN WHAT USED TO BE CONTROLLED BY THE SOVIET UNION. RUSSIA MUST RECOGNIZE THE IMPERATIVES OF DEMOCRACY AND THE FREE MARKET. HAVING HEARD YOUR WORDS, I FEEL CONFIDENT THAT YOU SHARE MY VIEW THAT THE THREE ARE INTERRELATED AND WILL EXPRESS THAT CONVICTION TO PRESIDENT YELTSIN IN VANCOUVER.

WITH BEST WISHES FOR YOUR SUCCESS THERE AND HOPE TO MEET YOU IN THE NEAREST FUTURE, I REMAIN, SINCERELY YOURS, LENNART MERI. END TEXT. FRASURE

BT

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SECTION: 01 OF 01

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Mart LAAR
(Phonetic: lahr)

ESTONIA

Prime Minister (since October 1992)

Addressed as: Mr. Prime Minister

"Realism is our idealism. We know we can't be popular, so our idealism is that sometime, somewhere, people will understand that our radical reforms were right."

Mart Laar, February 1994

Mart Laar [redacted] 1.4c is showing a willingness to make changes in his government as he pursues radical reform. He has enthusiastically endorsed policies that have greatly improved the economy despite the fact that the associated social dislocations such as rising prices and unemployment have lowered his public approval ratings. Laar, in a 1994 press interview, identified youthful members of his government as a key to Estonia's economic reform--most of the top Cabinet posts are held by men under the age of 35--because they are willing and able to make the necessary changes. [redacted] 3.5c

Laar, who came to the Prime Ministership without government experience or background in economics, has compensated by surrounding himself with experts. [redacted]

[redacted] 1.4c, 1.4d, 3.5c

Laar has shown [redacted] 1.4c, 1.4d a willingness to adopt pragmatic solutions to resolving the Russian troop withdrawal and Russian citizenship questions. [redacted] 1.4c, 1.4d he has played to popular sentiment by taking a hard line on the withdrawal issue.) For example, during talks in 1993 to ease ethnic tensions communications with the Russian population in Narva, one ethnic

[redacted] 3.5c

Russian participant found him genuinely interested in establishing a dialogue, and pragmatic in his approach [redacted] 1.4c, 1.4d, 3.5c

Career and Personal Data

Laar was born on 22 April 1960 in Viljandi, in southwest Estonia. A graduate of Tartu University with a degree in history, Laar attempted to document the resistance to the Soviets during the 1940s and 1950s, which caused him to lose his teaching post at his alma mater. He gained fame in 1988 when he was threatened with an indictment for anti-Soviet "slander" after his articles were published in the reformist press. Laar led the nationalist Fatherland faction of the Estonian Supreme Council in 1990-1992 [redacted] 3.5c

In addition to Estonian, Laar speaks English and Finnish. He has visited the United States several times since 1989. His book on anti-Soviet partisans in Estonia, War in the Woods, was published in the United States in 1992. He likes the rock band, Guns 'N Roses, and enjoys socializing with musicians in cafes. Laar and his wife, Katrin, have two children. [redacted] 3.5c

[redacted] 1.4c, 1.4d, 3.5c

LDA M 94-12018
15 April 1994

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PER E. O. 13526

2016-0029-M (2.07)
2/27/2017 KBY



Directorate of Intelligence
Intelligence Memorandum
Office of Slavic and Eurasian Analysis

7 June 1994

φ Estonia

Estonia: Economic Success Continues Despite Setbacks

3.5c

Summary

Estonia has become the leading economic success among the former Soviet republics. Boosted by wide-ranging reforms--including full price decontrol and trade liberalization--and austere financial policies, the economy began to recover last summer, with production rising five percent in the second half of 1993 and at similar rates so far this year. The recovery is likely to continue at a healthy pace despite inflationary pressures and the prospect of higher Russian tariffs on Estonian exports.

- Strong growth in services, foreign investment and trade is driving the expansion.
- Inflation jumped in early 1994 as a result of excess consumer demand, as well as the short-term impact of recent price liberalization, an accumulation of hard currency reserves, and the rise in value of the ruble versus the Estonian kroon. It is likely that inflation rates will revert to manageable levels as the government's vigorous measures help check consumer demand, and the short-term impact of these other factors diminishes.
- Moscow is threatening tariff hikes which could hurt Estonian farm exports, but other sectors have been succesful in reorienting sales to Western countries.

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The Estonian economy's recovery is unlikely to save reformist Prime Minister Laar's party from electoral defeat next March, but chances are good that his successor would continue to promote restructuring and financial stabilization.

- The regime remains very unpopular, because the economic upswing has not lessened hardship outside Tallinn.

1.4c, 1.4d

- However, the party favored to win next year's elections--the Koonderakand coalition of former Prime Minister Vahi--has expressed general support for Laar's reform policies.

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2016-0029-M (1.51)
2/27/2017 KBH

Leader In Economic Reform

Estonia has led the former Soviet Union (FSU) in its pursuit of economic reform, trade liberalization, and fiscal and financial discipline. Since 1992 Tallinn has adhered to a highly liberal trade regime, with no tariffs on agricultural goods and low duties on most other items, and by early this year had freed virtually all prices. For the past two years the government has run a balanced budget--by slashing subsidies and holding wages down--and kept a tight lid on credit emissions. Estonia has also transferred 80 percent of small and medium sized enterprises into private hands. The main area where restructuring lags is the privatization of large industrial enterprises--about 500 facilities remain state-owned. 3.5c

As a result of these reformist policies, Estonia's diversified economy is well on the road to recovery after two years of production declines necessary to correct past economic distortions inherent in the old Soviet command-administrative system.

- GDP bottomed out last summer after falling 30 percent since 1991, and grew five percent over its nadir in the second half of 1993, according to official statistics--a performance that surpassed that of any other FSU state. The recovery is continuing in the first half of 1994, according to month-on-month data, and the IMF has predicted production will rise this year between two and six percent. The recovery is being driven by a thriving small business sector, especially in retail trade and services, the expansion of which is more than compensating for continued weakness in the state-enterprise-dominated industrial sector.
- Foreign investment more than doubled in 1993, and now represents over seven percent of GDP. Even domestic investment is rebounding, according to statistics compiled by the IMF. The influx of foreign investment reflects Western confidence in Tallinn's financial discipline and the stability of the kroon, which Tallinn pegged to the D-Mark upon the kroon's introduction in 1992.
- Unemployment has remained low, officially at two percent, although IMF estimates that the real figure may be near eight percent. Estonian government officials have said that the net emigration of 50-55,000 people in 1992-93 eased labor market pressure 3.5c

Estonia's economic success is due in part to its ability to develop trade with established market economies and reduce its traditional trade dependence on Russia and other FSU countries, which during the Soviet era accounted for almost 80 percent of Estonia's total trade volume. Exports outside the FSU grew 80 percent and imports surged 130 percent

This memorandum was prepared by 3.5c Office of Slavic and Eurasian Analysis 3.5c
 Comments and queries are welcome 3.5c

The Changing Face of Estonia's Economy

The structure of the Estonian economy has changed dramatically in the past two years. In Soviet times, the services sector was undeveloped, but by the end of 1993 it accounted for a dominant 56 percent of GDP, due to sizzling growth in retail, insurance, transportation and tourism. In contrast, both industry and the farm sector have declined in importance, as they have been battered by competition from Western imports and shortages of raw materials from the FSU. Some industries, such as textiles, machinery, and electronics, are managing a recovery by tying themselves as subcontractors to Western firms.

1.4c, 1.4d

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in 1993, overwhelming a decline of six percent in total trade with the rest of the FSU, according to official statistics.

- Trade with non-FSU countries currently accounts for two-thirds of Estonia's total. Finland has become Estonia's top trading partner, while Germany and Sweden rank third and fourth. Press reports indicate that many items Estonia imports from Scandinavian countries are subsidized, and are then snapped up by tourists from these same countries.
- Russia accounts now for only about 23 percent of Estonia's exports and 18 percent of its imports, but remains the prime outlet for Estonia's key farm goods exports. Estonia's exports in late 1993 were boosted by the rising value of the ruble vis-a-vis the kroon, which made Estonia's farm products cheaper on the Russian market.

1.4c, 1.4d

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Inflation Prime Headache

Despite Estonia's economic success, problems remain. Above all, Estonian policymakers have been troubled by a recent upswing in inflation which has defied Tallinn's aggressive anti-inflation policies. Estonia's official monthly inflation rate bottomed out at 0.7 percent in August 1993, but drifted to 5.3 percent by the end of the year, and reached a near record of 8.9 percent in March before declining to 3.1 percent in April. Estonia's inflation rate is currently the worst among the Baltic states--which have generally conducted the same anti-inflationary policies--and in March even surpassed that of Russia.

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Estonia's high inflation rates reflect above all the economy's inability to produce enough goods to meet pent-up consumer demand. According to IMF statistics, household consumption was far above industrial production through the latter half of 1993, and the government has blamed price rises to some extent on the influx of comparatively expensive consumer good imports from Finland and other Scandinavian countries. Furthermore, the IMF has attributed price rises in the dynamic services sector--a full

Monthly Retail Inflation					
	1993(ann.)	Jan	Feb	March	April
Estonia	36	5.5	5.2	8.9	3.1
Latvia	35	3.8	3.4	1.7	2.7
Lithuania	189	4.8	2.9	3.3	1.6
Russia	880	22	10	8.7	9.7

15.5 percent in March--to upward pressure on wages resulting from this surging consumer demand and the inability of retailers to find cheap goods. 3.5c

At the same time, much of the upswing appears to have been caused by a combination of short-term factors, including the rising value of the ruble, excess hard currency reserves, and the impact of price liberalization.

- The rising value of the Russian ruble versus the kroon since the beginning of 1993--while boosting Estonian agricultural sales--encouraged Estonian farmers to raise prices at home in order to match domestic profits to those they received on the Russian market. Food prices, especially for dairy products, have been rising far more than average prices over the past months. Declines in the Estonian livestock sector and a poor potato harvest could put further pressure on food prices this year.
- The Estonian government has said that the influx of foreign investment and assistance funds was so large in late 1993 that the economy had difficulty effectively absorbing them, leading to an excess of liquid hard currency reserves.
- The recent decontrol of prices for key services, including rents and public transportation, contributed to the jump in inflation in March--housing prices rose 18.5 percent, while transport prices were up 9.7 percent that month. 3.5c

The Estonian government has responded to these high rates of inflation by further tightening monetary and fiscal policies in an effort to reduce consumer demand. In particular, the government is targeting state enterprises whose growing tax arrearage has contributed to budgetary shortfalls and emergency credit disbursements. Prime Minister Laar said he would seek the enactment of a bankruptcy law in order to force companies hopelessly in arrears to close so as to limit state expenditures. His government is also planning to make further budget cuts to match projected shortfalls in revenues resulting from these tax arrears. In addition, Tallinn has said it will speed up privatization in order to curtail state support to loss-making enterprises. The regime has earmarked 155 out of the remaining 500 large state enterprises for privatization this year. 3.5c

The dip in the inflation rate to 3.1 percent in April may signal the economy is adjusting to some of the temporary pressures that brought about the initial inflationary rise. In recent months, the exchange rate of the ruble to the kroon has stabilized, while Tallinn's hard currency holdings have declined as a result of the surge in Western imports and widening

trade deficit. In addition, price rises in housing and transportation--where most of the recent price liberalization took place--were substantially less pronounced in April than in March, indicating the impact of the liberalization round is diminishing. 3.5c

Russian Tariffs Threaten Farm Exports, Investment

Proposed hikes in Russian tariffs could hurt the Estonian economy by reducing agricultural exports and foreign investment. In March, Moscow excluded Estonia from the list of countries it would grant most favored nation status, which officials in Tallinn attributed to bilateral wrangling over the issue of Russian troop withdrawals. In the aftermath, Moscow temporarily imposed new tariffs of between 40-50 percent on such key exports as potatoes, meat, milk, and butter, 1.4c, 1.4d In addition, Moscow doubled the rates for a number of industrial products, including furniture, apparel, knitwear, and plastic products to over 30 percent. Russia suspended these tariffs in late April but indicated it would reimpose them 1 July, according to press.

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Some Estonian exporters--including the local Coca-Cola franchise--noted in March that as a result of Moscow's measures their business with Russia had dried up. 1.4c, 1.4d Farm exports fell 10 percent in March, and farmers fear a reimposition of tariffs would hit them hard, because, unlike producers in other sectors, they have not been able to develop alternative markets in the West--because of Western subsidization of many farm products. Estonian officials also expressed concern that over time the tariffs might dissuade foreign investors, because one of Estonia's prime attractions was its touted easy access to the Russian market. 3.5c

However, the effects of any Russian tariff hikes probably will eventually be limited because the reduction of exports to Russia would be compensated for by continuing rapid growth in trade with the West. Overall exports leaped 18.5 percent in March despite the tariffs, before falling about ten percent in April, according to official statistics. Tallinn has said that it will encourage exporters to seek trade ties in the West in order to further dilute the impact of trade tensions with Russia. Furthermore, Estonian farmers are reorienting some of their production to the needs of the internal market, according to press. 3.5c

Economic Success Not Enough To Help Regime

The success of the government's economic program has not translated into political support for Prime Minister Laar's Fatherland Party, which leads the four party ruling coalition. Laar's party fared poorly in local races last winter and is running a distant fourth in the most recent poll. Although other polls have found that a majority has confidence in reform and laissez faire policies, the public is blaming Laar for continued hardship. 1.4c, 1.4d Despite the ongoing recovery, production is still 20 percent below 1989 levels, and the improvement which has occurred has not been broad-based--Tallinn has benefitted the most, while economic conditions are far more

depressed, for example, in southern Estonia. The government has come under pressure from farmers demanding government protection in the face of subsidized European imports, and a pensioners' group advocating increased social benefits is running third in polls, ahead of the Fatherland Party. [3.5c]

At the same time, the regime's reforms could contribute to the alienation of ethnic Russians, who represent about a third of the population and mainly inhabit the northeastern part of the country. Ethnic Russians elected mostly moderates in recent local contests, and polls indicate that they see their economic situation as better than in Russia, but the same polls found overwhelming rejection of the more painful reformist policies such as price decontrol and cutting state subsidies, which have been wholeheartedly adopted by the regime. These policies appear to be hitting Russians particularly hard.

- The highest unemployment rate has been registered in Narva, the main urban center dominated by Russians, while industries such as energy and chemicals, where Russians are overrepresented, are in the worst shape.
- Wages have traditionally been lower for ethnic Russians than for Estonians, and, because Russians have been less willing to work in the dynamic private sector than their Estonian counterparts, it is likely that their earnings are falling behind those of Estonians. [3.5c]

However, the parties most likely to win parliamentary elections scheduled for March 1995 generally support the government's economic reform program. The Koonderakand Party--which is ahead in the polls and considered the favorite to win the elections--is led by former Prime Minister Vahi, who originally oversaw the introduction of the kroon and pushed stringent financial policies to stabilize the currency. Vahi has generally been supportive of Laar's austerity program. [1.4c, 1.4d] However, while the party has reformist technocrats in its ranks, it also includes many directors of state enterprises who may resist Laar's policies of cutting subsidies to the state sector. The Keskerakond Party of former Prime Minister Savisaar--running second in the polls--also has refrained from criticizing the regime's economic policies. [3.5c]

Economic Outlook and Implications

Estonian economic growth will probably continue this year. Although higher Russian trade barriers and the government's continued anti-inflation measures may limit growth somewhat, chances are very good that their impact will not cancel out the positive impact of the ongoing surge in the services sector, trade with the West, and foreign investment. These sectors will likely propel the economy to register positive gains in growth of at least 3 percent by the end of 1994. While inflation will remain uncomfortably high, its rate will probably not exceed an average 3-4 percent per month over the remainder of the year as the government's austerity program keeps consumer demand in check and the impact of short-term factors diminish further. [3.5c]

While the economy is unlikely to save Laar from electoral defeat, economic reform will probably continue. Improved economic conditions by March 1995, the date of the elections, may whittle away some popular opposition, but they are unlikely to prevent his party's defeat, because the improvement is not sufficiently broad-based to overcome popular perception of continued hardship. A successor regime such as Vahi's Koonderakand Party would likely adopt the same orientation toward reform, but may try to dilute some of Laar's more stringent policies, such as pushing loss-making state firms into bankruptcy. A new Prime Minister may also seek to make the benefits of reform more widespread, either by expanding government spending on disadvantaged sectors or strengthening the social safety net.

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WHITE HOUSE SITUATION ROOM

PAGE 01

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~~C O N F I D E N T I A L~~ VIA PRIVACY CHANNELS

QQQQ

FOR THE AMBASSADOR OR CHARGE

PLEASE DELIVER THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON FOR TRANSMITTAL TO PRESIDENT YELTSIN IN BERLIN AT THE EARLIEST APPROPRIATE TIME ON AUGUST 31 1994 NO SIGNED ORIGINAL WILL FOLLOW.

BEGIN TEXT:

DEAR BORIS:

AS RUSSIA CONCLUDES THE WITHDRAWAL OF ITS MILITARY FORCES FROM GERMANY AND THE BALTIC STATES, I WISH TO SEND YOU MY PERSONAL CONGRATULATIONS ON THIS MOMENTOUS ACCOMPLISHMENT. RUSSIAS ACTIONS TODAY BRING TO A CLOSE THE POST-WORLD WAR II CHAPTER IN EUROPEAN HISTORY, AND USHER IN A NEW ERA OF REGIONAL STABILITY AND COOPERATION THAT WILL PROMOTE THE GREATER INTEGRATION OF RUSSIA AND HER NEIGHBORS INTO THE WORLD COMMUNITY. I KNOW THAT THIS IS A MOMENT OF GREAT PERSONAL SATISFACTION FOR YOU.

PLEASE ACCEPT MY BEST WISHES ON THIS HISTORIC DAY.

SINCERELY,

BILL

END TEXT

DECL: OADR

#4265

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PER E. O. 13526

2016-0029-M (2.22)
2/27/2017 KBH

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PAGE 01

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~~C O N F I D E N T I A L~~ VIA PRIVACY CHANNELS

QQQQ

FOR THE AMBASSADOR OR CHARGE

PLEASE DELIVER THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO PRESIDENT MERI AT EARLIEST OPPORTUNITY ON 31 AUGUST 1994. NO SIGNED ORIGINAL WILL FOLLOW.

BEGIN TEXT:

DEAR MR. PRESIDENT:

AS ESTONIA MARKS THE SUCCESSFUL COMPLETION OF THE WITHDRAWAL OF RUSSIAN MILITARY FORCES FROM ITS SOIL, I WISH TO CONGRATULATE YOU AND THE ESTONIAN PEOPLE ON THIS HISTORIC ACCOMPLISHMENT. AS YOU NOTED DURING OUR MEETING IN JULY, THIS ACTION BRINGS TO A CLOSE THE POST-WORLD WAR II CHAPTER IN ESTONIA'S HISTORY, AND USHERS IN A NEW ERA OF REGIONAL STABILITY AND COOPERATION THAT WILL PROMOTE THE GREATER INTEGRATION OF ESTONIA AND HER NEIGHBORS INTO THE WORLD COMMUNITY.

PLEASE ACCEPT MY BEST WISHES FOR THE FUTURE ON THIS HISTORIC DAY.

SINCERELY,

WILLIAM J. CLINTON

END TEXT

DECL: OADR

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PER E. O. 13526

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PAGE 01

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~~C O N F I D E N T I A L~~ VIA PRIVACY CHANNELS

QQQQ

FOR THE AMBASSADOR OR CHARGE

PLEASE DELIVER THE FOLLOWING MESSAGE FROM PRESIDENT CLINTON TO
PRESIDENT ULMANIS AT EARLIEST OPPORTUNITY ON 31 AUGUST 1994.
NO SIGNED ORIGINAL WILL FOLLOW.

BEGIN TEXT:

DEAR MR. PRESIDENT:

AS LATVIA MARKS THE SUCCESSFUL COMPLETION OF THE WITHDRAWAL
OF RUSSIAN MILITARY FORCES FROM ITS SOIL, I WISH TO
CONGRATULATE YOU AND THE LATVIAN PEOPLE ON THIS HISTORIC
ACCOMPLISHMENT. THIS ACTION BRINGS TO A CLOSE THE POST-WORLD
WAR II CHAPTER IN LATVIA'S HISTORY, AND USHERS IN A NEW ERA
OF REGIONAL STABILITY AND COOPERATION THAT WILL PROMOTE THE
GREATER INTEGRATION OF LATVIA AND HER NEIGHBORS INTO THE
WORLD COMMUNITY.

PLEASE ACCEPT MY BEST WISHES FOR THE FUTURE ON THIS HISTORIC
DAY.

SINCERELY,

WILLIAM J. CLINTON

END TEXT

DECL: OADR

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Intelligence Report

Office of Slavic and Eurasian Analysis

7 March 1995

Estonia: Political and Economic Overview

3.5c

Estonia's progress toward developing a strong parliamentary system and a staunchly market-oriented economy is unrivaled in the former Soviet Union, although domestic politics remain highly fractious.

3.5c

Throughout the term of Estonia's first freely elected Parliament, political divisions resulted in frequent cabinet changes. By September 1994, the weak, moderate nationalist coalition government led by Prime Minister Mart Laar and the Fatherland Party collapsed.

- In October 1994, Andres Tarand, the former Environment Minister, succeeded Laar as Prime Minister. Tarand saw himself as a caretaker tasked by President Meri to guide the country until the March elections by following Laar's economic course and concentrating on domestic issues,

1.4c, 1.4d

- In the parliamentary elections held 5 March, the Fatherland Party--which led a coalition with the Moderates and the National Independence Party--lost further ground, probably because Estonia's citizens held it responsible for many of the hardships that have resulted from Tallinn's pursuit of rapid, market-oriented reform.

1.4c, 1.4d, 3.5c

The recent elections probably will produce another shaky coalition government. The most important players in Estonia's second postindependence Parliament will be former Prime Minister Vahi and former President Ruutel. The slightly left of center Vahi-Ruutel coalition, with some 42 seats in the 101-member Rügikogu and with Vahi as Prime Minister, will take the lead in forming a government.

- Lacking a majority, the Vahi-Ruutel coalition will continue to look for another coalition partner. Potential candidates include former Prime Minister Savisaar and the Estonian Center Party with some 16 seats, Bank of Estonia President Kallas and the Reform Party-Liberal Democrats coalition with about 19 seats, or Tarand and the Social Democrats-Rural Center-Center Trade Union Organization coalition with some six seats.

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3.5c

- With so many former bosses in the new Parliament, however, forming the new government will probably prove difficult. 3.5c

Despite the turnover, statements made by key members of the new Parliament indicate that we should expect few changes in Estonia's domestic or foreign policy agenda, according to 1.4c, 1.4d press reporting. The new Parliament will serve for four years—unless circumstances call for special early elections—and will elect Estonia's next President in the fall of 1996, when President Meri's term expires.

- *Chances are, however, that the Vahi-Ruutel coalition will be short lived. Prime Minister Vahi, based on his previous performance in the government and recent campaign statements, is likely to pursue tight monetary policies and further market-oriented economic reform. Former President Ruutel, however, is likely to push for several protectionist economic policies, including high tariffs, agricultural quotas, and subsidies, in order to protect his rural constituency.*
- *As a member of the new parliament, Savisaar probably will want to improve relations with Moscow, as he did when he was Prime Minister in the early 1990s.*
- *Based on their party platforms, other potential coalition members are likely to follow a market-oriented approach to economic reform, but may resort to slightly more populist measures that could result in more protectionist policies and increased government spending 3.5c*

Estonia leads the countries of the former Soviet Union (FSU) in pursuing economic reform and adhering to disciplined fiscal and financial policies.

- *As much as 60 percent of the economy—encouraged by laws that support the creation of new businesses, as well as the privatization of almost all small and medium-size enterprises—is in private hands. By late 1994, the government had sold off about 60 percent of its larger industrial enterprises. Privatization of housing, however, is just beginning.*
- *Almost all prices have been freed since 1993, and all controls on the export and import of capital were eliminated in 1994. Estonia's free trade policies were the cornerstone of its negotiations with the European Union for an association agreement—concluded in February—with no transition period; Estonia is the first state granted such privilege.*

This report was requested by the National Security Council in advance of Vice President Gore's planned visit to Estonia. It was prepared by 3.5c Office of Slavic and Eurasian Analysis. Comments and queries are welcome 3.5c

- Since 1992, *Tallinn has pursued a tight credit emissions policy* and, for the last three years, has run either balanced budgets or small budget surpluses.

3.5c

As a result of these policies, *the Estonian economy by mid-1993 began to show signs of recovery after three years of economic decline.*

- According to the Minister of the Economy, GDP growth in 1994 was 4 percent--amongst the highest in Europe--following four years of decline. Official unemployment stood at 1.5 percent in December.
- Despite strong consumer demand, Estonia has managed to keep inflation under 5 percent per month in all but three months since the end of 1992. Inflation for all of 1994 totaled 45 percent, with an average monthly rate of inflation of just 1.9 percent between May and November 1994.

3.5c

A key to Estonia's success has been its ability to reorient its economy to the West--mainly to Scandinavia and Germany--and away from the still deteriorating economies of Russia and the other FSU countries. Estonia has accomplished this transition largely through one of the most liberal trading regimes in the world--virtually no tariffs exist--a stable currency tied to the German mark, and laws that encourage foreign investment.

- *In 1994, the FSU accounted for 30 percent of exports and 23 percent of imports--less than a third of Estonia's total trade.* Finland in 1993 replaced Russia as Estonia's single most important trading partner, and trade with Sweden almost doubled in 1994.

- *Foreign investment in Estonia--viewed as an attractive base of operations by Western firms hoping to penetrate the Russian market, but sometimes overlooked on its own merits given its small market size--is surging.*

1.4c

foreign investment more than doubled in 1994 to top domestic investment by 50 percent at \$350 million.

3.5c

Estonia's overall economic prospects are bright. Despite increasing protectionist pressures from farm and labor groups, there is general support for current reform policies among most political groups in the country, making it likely that Estonia will not deviate substantially from its current path or reverse course, according to

1.4c, 1.4d press reporting.

- *The main potential threat to the country's development prospects are enduring political tensions with Russia--Moscow so far has withheld Estonia's most-favored-nation status largely because of concern over Tallinn's treatment of its large ethnic Russian minority and lingering border disputes.*

3.5c

Nicolae VACAROIU
(Phonetic: vuhkuhROYoo)

ROMANIA

Prime Minister (since 1992)

Addressed as: Mr. Prime Minister

Nicolae Vacaroiu primarily presides over the Cabinet and domestic economic issues. A former member of the Communist Party, Vacaroiu currently has no formal party affiliation.

Vacaroiu was born on 5 December 1943 in Bolgrad, Bessarabia (now part of Moldova). He graduated with a degree in finance from the Academy of Economic Sciences in Bucharest in 1969. During 1969-71 Vacaroiu worked as an economist for the Directorate for Territorial Planning, Architecture and Construction Design in Bucharest. He then became

an economist for the State Planning Committee--a job he held until 1989. In 1989 he became the Deputy Minister of the Ministry of National Economy. Vacaroiu was appointed in 1990 as Deputy Director, General Director and State Secretary for the Ministry of Economy and Finance. Vacaroiu served concurrently as chairman of the inter-ministerial foreign trade guarantee and credit committee.

Vacaroiu is married and has one child.

23 March 1995

Vaclav HAVEL
(Phonetic: HAHvel)

President (since 1993)

Addressed as: Mr. President

Playwright and philosopher Vaclav Havel is a dissident turned politician and statesman. He was a major force in the creation of Civic Forum in 1989 and served as the opposition's point man during the fall of Communism. Havel was elected President of Czechoslovakia after the Communists lost power in 1989 and was reelected in June 1990. When it became clear that the federation was headed toward dissolution, he resigned the post in July 1992 but returned to the presidency just five months later. Ranked as one of the most popular political figures in domestic polls, the President has told reporters that he views his role as providing a sense of continuity and integrity in the Czech Republic.

Havel was born on 5 October 1936. He earned a high school diploma at night school while working as a chemistry lab assistant. During his compulsory military service (1957-59), he became involved in the theater. Havel was denied admission to a university because of his "class origins" (his grandfather was a wealthy real estate developer) but found work as a stagehand and eventually became a writer and producer at a Prague theater. He graduated from the Academy of the Musical Arts in 1967. Havel first visited this country in May 1968, when he came to New York for the premiere of his play *The Memorandum*.

Havel supported the political and economic reforms of the Prague Spring in 1968 and opposed the Soviet-led invasion that forced their reversal.

During the postinvasion return to Communist orthodoxy, his plays were banned and he was dismissed from his theater post. Havel subsequently worked in a brewery and became active in the dissident community. In January 1977, he was instrumental in drafting Charter 77, a human rights declaration. Over the next 12 years, he was a target of continual police harassment, interrogations, and detentions. His longest prison sentence was a four-year term during 1979-83; his most recent was from January to May 1989.

Havel has received numerous honorary doctorates and awards. He was nominated for the Nobel Peace Prize in 1989. He and his wife, Olga—who is a longtime champion of children's rights—have been married since 1964.

10 April 1995

Vaclav KLAUS
(Phonetic: rhymes with house)

CZECH REPUBLIC

Prime Minister (since 1992)

Addressed as: Mr. Prime Minister

Vaclav Klaus, a noted economist, has embarked on a program of rapid economic reform and democratic pluralism that he publicly claims will result in Western-style prosperity for his country. The Prime Minister places economic topics high on his agenda, emphasizing foreign investment and privatization. His writings on economic problems in socialist countries have been published abroad.

Klaus was born in Prague on 19 June 1941. He graduated from the Economics College in Prague in 1963 and studied in Italy (1966) and at Cornell (1969). He has a candidate of sciences degree (1967)—roughly equivalent to a Ph.D. During the 1960s, Klaus worked in the Economics Institute of the Czechoslovak Academy of Sciences, but he was dismissed in 1970 for his reformist views. He held low-level jobs in the Czechoslovak State Bank during 1971-86. In 1988 he joined the academy's Forecasting Institute, where he became a leading economist.

In late 1989, Klaus joined the Civic Forum (OF) and served as its economic expert and spokesman before being named federal Finance Minister. He was elected a deputy to the Federal Assembly in

June 1990 and chairman of the OF in October 1990. Klaus and his supporters split from the OF in February 1991 and formed the Civic Democratic Party (ODS.). He served as Deputy Prime Minister from October 1991 until June 1992.

Klaus speaks English, German, and Russian. ODS campaign booklets have portrayed him as an all-round athlete who enjoys basketball, swimming, and tennis. His wife, Livia, is also an economist; the couple has two sons.

10 April 1995

Ion ILIESCU
(Phonetic: eeleeYESSkoo)

ROMANIA

President (since 1990)

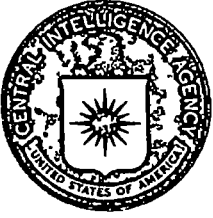
Addressed as: Mr. President

Ion Iliescu was reelected as President in October 1992. He first gained the presidency in national elections after the December 1989 overthrow of former dictator Nicolae Ceausescu. Iliescu rose through Romania's political establishment ranks from the 1950s until he was dismissed by Ceausescu in 1971 as Romanian Communist Party (RCP) secretary for youth affairs. Iliescu held lesser posts in the RCP and local government until 1984 when Ceausescu ousted Iliescu from the RCP Central Committee. Iliescu subsequently served as an editor in a technical publishing house until his election to the presidency.

Iliescu was born on 3 March 1930 in Oltenita (southeast of Bucharest). Iliescu's father was an activist in the small pre-World War II communist movement in Romania. Iliescu received degrees in hydroengineering from both Bucharest Polytechnic Institute and the Moscow Energy Institute in the 1950s. During that time he was also active in Communist Youth organizations. Iliescu joined the Romanian Communist Party in 1961.

During 1964-71, Iliescu was the minister of Youth Problems. He served as a full member of the RCP Central Committee from 1968 until 1984, during which time he was briefly RCP Central Committee Secretary for Propaganda and Education (1971).

Iliescu speaks English, Russian, and French in addition to his native Romanian. He is married. His wife, Elena, is also an engineer and a former Communist youth activist.



Intelligence Report

7 Estonia

Office of Slavic and Eurasian Analysis

8 November 1995

Estonia: Economic Splash

1.4d, 3.5c

Estonia's progress toward developing a strong parliamentary system and a market-oriented economy is unrivaled in the former Soviet Union. Estonia's successful transition--in the face of fractious domestic politics and pervasive crime and corruption--illustrates Tallinn's commitment to political and economic reform and integration with the West. Estonia regards integration into Western political, economic, and security structures as the most reliable hedge against potential Russian expansionism. Tallinn's relationship with Moscow remains the most contentious of the Baltic states--in part because of Tallinn's drive to integrate with the West--but also over their long-standing border dispute, rights of ethnic Russians, and economic cooperation.

3.5c

Political Developments. *Estonia's seven-month-old coalition government led by Prime Minister Vahi collapsed in mid-October, after President Meri sacked embattled Interior Minister Savisaar--accused of conducting illegal surveillance of senior government officials--according to* [1.4c, 1.4d] *press reporting. Vahi's party declined to continue in coalition with Savisaar's Center Party, and the Coalition Agreement signed at the government's inception obliged Vahi to submit his resignation and that of his cabinet. Immediately following Vahi's resignation, Meri named him Prime Minister-designate, and tasked him with forming a new government; Meri accepted Vahi's proposal for a "center-right" government on 3 November.*

- Of the 15 ministerial positions, the coalition agreement allocates six to Vahi's Coalition Party (including defense and finance), six to the Reform Party (including foreign and interior), and three to the Rural Union Party. *Eight of the fifteen ministers from the previous cabinet reclaimed their portfolio in the new government.*
- *Tallinn has been plagued by relatively stagnant domestic and foreign policies since the March elections.*

1.4c, 1.4d

This report was requested by the Office of the Secretary of Defense to support the Secretary's upcoming trip to the Baltic states. It was prepared by [3.5c] Office of Slavic and Eurasian Analysis. Comments and queries are welcome [3.5c]

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1.4c, 1.4d, 3.5c

Organized Crime. According to [1.4c, 1.4d] press reporting, *organized crime groups are primarily responsible for the sharp increase in bombings, murders, assaults, and other violent crimes in Estonia since independence. The targets of these attacks have often been other organized crime rivals and businesses not willing to pay "protection" for their offices and property. Estonia recognizes the corrosive impact that organized crime has on reform, and has succeeded better than many other emerging economies to keep it in check.* According to [1.4c, 1.4d] [] press reporting, Tallinn cooperates closely with international law enforcement agencies and is seizing every opportunity to equip its police with the tools and skill to better tackle the problem.

- Legislation passed this summer raised the minimum training period for police from three to ten months, and *in August, Estonian authorities announced the pending creation of special courts to deal with organized crime cases*, according to press reporting. The Head of the Estonian Supreme Court stated that the special courts would operate more quickly and competently, and that judges, witnesses and defendants would be provided greater protection.

1.4c, 1.4d

1.4c, 1.4d, 3.5c

Economic Reform. *Estonia leads the countries of the former Soviet Union in pursuing economic reform and adhering to disciplined fiscal and financial policies.*

- [redacted] 1.4c, 1.4d Estonian GDP grew 4 percent in 1994--among the highest in Europe--following four years of decline; *The European Bank for Reconstruction and Development recently forecast 6 percent growth in Estonia's GDP this year.* Monthly inflation has been held to under 5 percent since the end of 1992, with annual inflation in 1994 at 45 percent, according to official statistics; *Bank of Estonia officials estimate that inflation in 1995 will be under 30 percent.*
- Small- and medium-scale privatization is essentially complete. Although the task has proved arduous, large-scale privatization is progressing more rapidly than in other FSU states--with only a few, mainly infrastructural enterprises yet to be privatized--according to [redacted] 1.4c, 1.4d press reporting. [redacted] 1.4c, 1.4d [redacted] a key goal of Tallinn's privatization effort is to prevent Russian organized crime from buying large stakes in the Estonian economy.
- Estonia has successfully reoriented its trade toward the West, according to official statistics; two-thirds of exports now go to Western markets [redacted] 1.4c, 1.4d *Estonia's free trade policies were the cornerstone of its negotiations with the European Union (EU) for an association agreement signed in June.* In fact, Estonia was the only Baltic state not to have a transition period imposed by the EU prior to its implementation of a free trade agreement [redacted] 3.5c

Despite promising signs of economic maturation, problems remain. *Although inflation and control over non-budget expenditures continued to improve from 1994, they were still higher than Tallinn projected, forcing the Vahi Government since August to pass two supplementary budgets to pay its bills--totaling \$10 million. It also remains to be seen whether progress on reform will stay hostage to divisiveness between political leaders--like Vahi and the new Foreign Minister Kallas--who want to stay the course of strict monetary and fiscal policies, and those from the opposition who want to shift to a more populist policy that would increase wages and subsidies to agriculture and slow privatization of large enterprises.* [redacted] 3.5c

Relations With Russia. *Estonia views Russia as the greatest threat to its sovereignty and independence [redacted] 1.4c and of the three Baltic states, continues to have the most contentious relationship with Russia. The Estonian Government has had difficulty making significant headway in the relationship, [redacted] 1.4c, 1.4d on crucial bilateral issues, including settlement of the long-standing border dispute and*

ratification of the July 1994 troop withdrawal agreement and pensioners' rights accord. Conflict over these issues has prevented the conclusion of an economic agreement with Russia covering bilateral trade and most-favored-nation status, and precipitated Moscow's accusations to the UN and OSCE of human rights abuses against Estonia's large Russian minority population, according to [redacted] 1.4c, 1.4d [redacted] press reporting.

- Most Estonian officials realize that integration into European institutions presupposes a border agreement with Russia. [redacted]
[redacted] 1.4c, 1.4d [redacted]
[redacted] According to press reporting, a senior Russian negotiator claims progress was made at talks in October, when mutual territorial claims were officially dropped.
- *The Estonian Parliament has twice postponed discussion on ratification of the troop withdrawal and pensioners' rights agreements since the start of its fall session, although Russia has ratified both.* Many members of parliament, as well as some key ministers, have expressed concern that ratification without conclusive agreements regarding other Estonian-Russian disputes would be premature, according to press.
- *On 3 November, the United Nations Human Rights Committee addressed Moscow's concerns and advised Estonia to review its laws regulating the rights of minorities, specifically criticizing Estonia for maintaining unnecessarily difficult language requirements for the granting of citizenship,* according to press reporting [redacted] 3.5c [redacted]

Integration With the West. *Estonia regards integration into Western security, economic, and political structures as the most reliable hedge against potential Russian expansionism.* Tallinn's long-standing concerns about Russian intentions toward the Baltic states were exacerbated by the recent Russian press report of a draft military doctrine under consideration by Moscow--which reportedly calls for Russia to invade the Baltic states should NATO admit them as members.

- In addition, in early October, Tallinn presented a demarche to NATO member states over Moscow's proposal to remove three Russian oblasts (Leningrad, Pskov, Novgorod) from the CFE Treaty northern

flank [redacted] 1.4c, 1.4d Estonian diplomats highlighted their concern by noting that one of the oblasts in question--Pskov--borders Estonia and Latvia, and houses the airborne division that in 1991 invaded Estonia. [redacted] 3.5c

NATO and PFP. Vahi--like the previous Prime Minister--has vigorously pursued Estonian integration into Euro-Atlantic security structures, according to [redacted] 1.4c, 1.4d press reporting, and has said that Estonia will prove its commitment to NATO by participating fully in Partnership for Peace exercises. *Although* [redacted] 1.4c, 1.4d [redacted] *Estonian officials consider NATO the best guarantor of Estonian security, they increasingly acknowledge that NATO membership is a long-term prospect, given Russia's strong objections and what the officials perceive as the West's lack of interest in pushing the Baltic states' inclusion in the near term.* [redacted] 3.5c

The European Union. To enhance its eventual candidacy to NATO, and as a fallback position should NATO ultimately reject it, Estonia has now made full accession to the EU its leading foreign policy goal [redacted] 1.4c, 1.4d Tallinn took its first step toward this goal by signing an association agreement with the Union in May. Estonian officials see real security benefits to be derived through the EU, [redacted] 1.4c, 1.4d As a full EU member, Tallinn would have the right to join the Western European Union--the EU's nascent security arm--and come under its security guarantee, which in practice depends on NATO resources.

[redacted]
1.4c, 1.4d, 3.5c

Alain JUPPE
(Phonetic: zhooPAY)

FRANCE

Prime Minister (since May 1995)

Addressed as: Mr. Prime Minister

Alain Juppe has been an associate of President Jacques Chirac for two decades and was Chirac's campaign and foreign policy adviser during the 1995 presidential election. In October 1995, Juppe was named president of the Rally for the Republic (RPR), a political party founded by Chirac in 1976; only Juppe and Chirac have held that position. Juppe previously had served as interim president (1994 - October 1995) and secretary general (1988 - October 1995) of the RPR. In November 1995 he tendered his resignation as Prime Minister, but he was immediately reinstated by Chirac to head up a revamped government.

Juppe is a graduate of the National School for Administration. He entered politics in 1976 as Chirac's speechwriter and subsequently served on the staff of the Minister of Cooperation from 1976 until 1978. Juppe left government service in 1978 to work for then Paris Mayor Chirac in a variety of capacities, including those of director general of the Department of Paris and director of financial and economic affairs for the city of Paris. In March 1983, Juppe was elected to the Paris Municipal Council and became second deputy for financial matters under Chirac. Juppe was a member of the European Parliament during 1984-86 and was

elected again in June 1989. He won a seat in the National Assembly in 1986 and soon after was selected to serve in the cabinet of then Prime Minister Chirac as budget director (1986-88). Juppe was Foreign Minister (1993 - May 1995) in the government of then Prime Minister Edouard Balladur before being elected mayor of Bordeaux.

Juppe was born on 15 August 1945 at Mont-de-Marsan. He speaks English. He wrote a book in 1993 entitled *The Venice Temptation*. That same year Juppe married his second wife, Isabelle Legrand-Bodin. The couple has a daughter; Juppe has two children from a previous marriage.

Aleksander KWASNIEWSKI

(Phonetic: kvahshNYEVskee)

POLAND

President (since December 1995)

Addressed as: Mr. President

Aleksander Kwasniewski, a former member of Poland's last Communist government, defeated Lech Walesa in the November 1995 presidential election. In his inaugural address Kwasniewski said that he would work to bridge the gap between former Communist and former Solidarity oppositionists and that he favors integration into Western institutions as Poland's first foreign policy priority, according to press reports.

Kwasniewski was born on 15 November 1954 at Bialogard near Koszalin. He did graduate studies in transportation economy at Gdansk University. He was a leader in the campus chapter of the Socialist Union of Polish Students (SZSP), the Communist student organization, and joined the Communist Polish United Workers' Party (PZPR) in 1977. Kwasniewski became head of the SZSP's department of culture in 1979 and was elected to the Executive Committee in 1980. From 1981 until 1984, he worked as a journalist for the organization's national weekly "itd" and became the publication's editor in chief in 1981. He was later appointed editor in chief of the PZPR's youth daily. In 1987, Kwasniewski was given ministerial rank as chairman of the Youth and Physical Fitness

Committee, and from late 1988 until 1989, he was chairman of the Council of Ministers' Socio-Political Committee. He served as chairman of the Polish Olympic Committee from 1988 until 1992. He participated in the Round Table negotiations with Solidarity in 1989. Kwasniewski became chairman of the Social Democracy of the Republic of Poland (SDRP) in 1990. In 1993 he led the Democratic Left Alliance (SLD)—comprised of the SDRP and other successors to the former Communist party—back into the government (after a four-year absence) as the party with the largest representation in parliament. He subsequently served on both the Constitution and Foreign Affairs Committees of the parliament.

Kwasniewski speaks English, German, and French. His wife, Jolanta, is a Warsaw real estate agent, according to press reports. The couple has one daughter.

Gyula HORN

HUNGARY

Prime Minister (since July 1994)

Addressed as: Mr. Prime Minister

Gyula Horn heads the former Communist Hungarian Socialist Party (MSZP). Horn has 35 years of experience in international affairs. He first gained international recognition for his decision in 1989, when as Foreign Minister he allowed East Germans to pass through Hungary and emigrate to the West.

Horn was born in Budapest on 5 July 1932. From 1946 until 1950 he worked as a laborer at a West German-owned plant. In 1954 he completed an economics degree from a university located in the former Soviet Union. He later earned a Ph.D.

in economics from the Hungarian Academy of Sciences. He entered the Finance Ministry in 1954, and after transferring to the Foreign Ministry in 1959, served in Bulgaria (1961-63) and Yugoslavia (1963-69). Returning to Budapest, Horn attended the Central Party School for four years. He was deputy director (1974-83) and director (1983-85) of the International Relations Department in the Central Committee of the Hungarian Socialist Worker's Party. Horn then served as second in command at the Foreign Ministry until he was appointed Minister in 1989. He became chairman of the renamed MSZP in 1990 and chaired the parliamentary foreign affairs committee until 1993.

Horn speaks Russian, Bulgarian, and Serbo-Croatian. He is married.

Arpad GONCZ
(Phonetic: goontz)

HUNGARY

President (since 1990)

Addressed as: Mr. President

A dramatist and playwright, Goncz was born on 10 February 1922 in Budapest. He earned a doctorate of laws in 1944. He fought in Hungary's anti-Nazi resistance; following the Communist takeover in 1948, he became a welder and then studied horticulture. In 1958 he was sentenced to life imprisonment for his participation in the 1956 revolution. During his years in prison, Goncz taught himself English and occupied himself by translating English literature into Hungarian. He was released under a general amnesty in 1963 and, still barred from practicing law, found work as a translator.

Goncz and his wife, Maria Zsuzsanna, have four children.

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10 January 1996

[2016-0029-M 2.51]

Gyula HORN

HUNGARY

Prime Minister (since July 1994)

Addressed as: Mr. Prime Minister

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Horn speaks Russian, Bulgarian, and Serbo-Croatian. He is married.

Herve DE CHARETTE

(Phonetic: duh shahREHT)

FRANCE

Minister of Foreign Affairs (since May 1995)

Addressed as: Mr. Minister

Herve de Charette is a member of the center-right bloc Union for French Democracy (UDF). De Charette gained his first cabinet portfolio immediately after his election to the National Assembly as a Republican Party delegate in 1986, serving as a junior civil service minister under then Prime Minister Chirac. He returned to parliament as a UDF deputy in 1988 and again in 1993, at which time he ceded his seat to become Housing Minister (1993-May 1995) in the government of former Prime Minister Edouard Balladur.

De Charette was born on 30 July 1938 in Paris and is a graduate of the School of Advanced Commercial Studies, as well as the National School of Administration. From 1966 to 1972, he worked at the Council of State, where he was auditor, then deputy secretary general. From 1973 until 1977, de Charette was an adviser on the staffs of several Labor Ministers. During the late 1970s he served as head of the National Immigration Office (1977) and as chief of staff to the Education Minister

(1978). He has been deputy secretary general of the Republican Party since 1979, mayor of Saint-Florent-le Vieil in western France since 1989, and a member of the Loire Regional Council since 1992.

De Charette speaks English. He is married to Michele Delor, his second wife, with whom he has one child. He has three children from his first marriage.

Jacques CHIRAC
(Phonetic: sheRAHK)

FRANCE

President (since May 1995)

Addressed as: Mr. President

Jacques Chirac was elected President on his third attempt. He had served as Prime Minister under then President Valery Giscard d'Estaing during 1974-76. During 1986-88, Chirac again held the post of Prime Minister in a center-right coalition that shared power with then President Francois Mitterrand in an arrangement known as *cohabitation*.

Chirac entered public service in 1960 and, beginning in 1962, worked on several staffs until he became Minister of Agriculture and Rural Development in 1972. He served briefly as Minister of the Interior from March to May 1974 before his first term as Prime Minister. He also was mayor of Paris from 1977 to May 1995. Chirac, who founded the neo-Gaullist Rally for the Republic in 1976, led the party until late 1994.

Chirac was born on 29 November 1932 in Paris. He studied at Harvard during the summer of 1953 and traveled throughout the United States. Chirac earned a degree at the Institute for Political Studies before fulfilling his Army duty, which included a tour in Algeria in the mid-1950s. He graduated from the prestigious National School for Administration in 1959. Since June 1994 he has published two books: *A New France* and *France for All*. Chirac speaks English well.

He is married to the former Bernadette Chodron de Courcel. The couple has three daughters, one of whom was adopted in 1979.

Dariusz ROSATI
(Phonetic: rohSAHtee)

POLAND

Minister of Foreign Affairs (since 1995)

Addressed as: Mr. Minister

A former Fulbright scholar and economics professor, Dariusz Rosati was head of the Central and Eastern European section of the UN Economic Commission for Europe in Geneva from 1991 until his selection as Foreign Minister. He worked at the Foreign Trade Research Institute at the Ministry of Foreign Economic Relations before his UN appointment.

Rosati was born on 8 August 1946 in Radom, Poland to a Polish mother and an Italian father. He holds a Ph.D. in economics from Warsaw's Main School of Planning and Statistics (SGPiS). He was a member of the Polish United Worker's

(Communist) party (PZPR) from 1966 until its dissolution in 1990. Currently, Rosati is politically unaffiliated. From 1981 until 1985, he was first secretary of the PZPR organization at SGPiS. He founded the School of Trade's World Economic Institute and served as its director during 1985-87. From 1988 until 1990, he directed the School of Trade's Institute of Business Cycles and Prices. He ran unsuccessfully as a Communist candidate in the 1989 "contract" election for the Senate (upper house of the Polish parliament). Also during 1988-1989 he served as an economic adviser to then Prime Minister Mieczyslaw Rakowski.

Rosati was a Fulbright scholar at Princeton from 1987 until 1988, and speaks fluent English. Married, he has two children.

Nicolae VACAROIU
(Phonetic: vuhkuhROYoo)

ROMANIA

Prime Minister (since 1992)

Addressed as: Mr. Prime Minister

Nicolae Vacaroiu primarily presides over the Cabinet and domestic economic issues. A former member of the Communist Party, Vacaroiu currently has no formal party affiliation.

Vacaroiu was born on 5 December 1943 in Bolgrad, Bessarabia (now part of Moldova). He graduated with a degree in finance from the Academy of Economic Sciences in Bucharest in 1969. During 1969-71 Vacaroiu worked as an economist for the Directorate for Territorial Planning, Architecture and Construction Design in

Bucharest. He then became an economist for the State Planning Committee--a job he held until 1989. In 1989 he became the Deputy Minister of the Ministry of National Economy. Vacaroiu was appointed in 1990 as Deputy Director, General Director and State Secretary for the Ministry of Economy and Finance. Vacaroiu served concurrently as chairman of the inter-ministerial foreign trade guarantee and credit committee.

Vacaroiu is married and has one child.

Martti Oiva Kalevi AHTISAARI
(Phonetic: (Phonetic: AHteesahree))

FINLAND

President (since March 1994)

Addressed as: Mr. President

Martti Ahtisaari is Finland's first directly elected president. He spent 16 out of the last 20 years in senior UN posts. Ahtisaari campaigned under the Social Democratic Party's banner but formally ended his affiliation with the party after his inauguration because Finnish tradition dictates that the president be above partisan politics and represent all citizens equally.

Ahtisaari, who is responsible under the Constitution for foreign and security policy, brings a wealth of experience in multilateral diplomacy to his position. As UN commissioner (1976-78) and then special representative (1978-90) for Namibia, he helped the country achieve independence from South Africa in 1990. From 1992 until May 1993, he was chairman of the UN Working Group on Bosnia and Herzegovina. Since taking office he has promoted Finnish membership in the European Union and facilitated talks between Russia and the Baltic States on the withdrawal of Russian troops.

Ahtisaari was born on 23 June 1937 in Vyborg, Karelia, an area ceded to the Soviet Union after World War II. He holds a teaching certificate, and he taught at the Swedish-Pakistani Institute of Technology in Karachi during 1960-63. After joining the Foreign Ministry in 1965, Ahtisaari

served in the Office of International Development Assistance until he was named Ambassador to Tanzania in 1973. In 1987 he became UN under secretary general for administration and management, a position he held concurrently with his duties as special representative for Namibia. He returned to Helsinki in mid-1991 to the number-two post in the Foreign Ministry, where he served until joining the UN team in Bosnia.

Ahtisaari speaks English and Swedish, as well as some French. He enjoys music and dancing. He is married to the former Eeva Irmeli Hyvarinen and has a son.

Paavo LIPPONEN

(Phonetic: (Phoetic: LEEpohnen))

FINLAND

Prime Minister (since April 1995)

Addressed as: Mr. Prime Minister

Paavo Lipponen, chairman of the Social Democratic Party (SDP), heads a five-party coalition composed of parties that span the political spectrum. (The government holds 145 of the 200 seats in Parliament.) Lipponen was initially elected to Parliament in 1983, failed to win reelection in 1987, but returned in 1991. During his parliamentary career, he has served for several years on the Foreign Affairs Committee. Before re-entering parliament, Lipponen headed the Finnish Foreign Policy Institute from 1987 until 1991, and was managing director of a publishing company during 1988-95.

Lipponen was born on 23 April 1941. He comes from a long line of politicians. His father was also an SDP member, and his grandfather was secretary of the Finnish Party, the predecessor of the Conservative Party, during 1915-19. Lipponen studied at Dartmouth College during 1960-61. He later worked as a journalist while earning a political science degree from the University of Helsinki. After graduating in 1971, he went to work for the SDP: he was the party's international affairs secretary (1971-74) and then headed its political section (1974-79). During the late 1970s, Lipponen was an adviser to President Mauno Koivisto; he also served as foreign policy adviser to Prime Minister (1983-87) Kalevi Sorsa. Lipponen became chairman of the SDP in 1993.

Lipponen speaks English, German, and Swedish. He was an International Visitor Program grantee in 1974 and has visited the United States numerous times. He has published a book, *Toward Change* (1986), that discusses population growth, hunger, and environmental destruction. Lipponen's interests include history, architecture, literature, theater, film, baroque and jazz music, water polo, and swimming. He won a silver medal at the Finnish water polo championships in 1979.

Lipponen has known his wife, Aila-Marja, since they were both teenagers, according to local press accounts. She has been information secretary of the Finnish Foodworkers Union since the 1970s. The Lipponens have a daughter, Paulamaria, who is a physician.

Michal KOVAC
(Phonetic: KOvahtch)

SLOVAKIA

President (since 1993)

Addressed as: Mr. President

Michal Kovac was elected to his post in February 1993 following the breakup of the Czechoslovak federation. An economist by training and a banker by trade, he was selected after three rounds of parliamentary balloting as a compromise candidate.

Kovac was born on 5 August 1930 in Lubisa, eastern Slovakia. He graduated from the Bratislava School of Economics in 1954 and worked at the school as an assistant for a year before being assigned to the regional institute of the Czechoslovak State Bank (1956-71) in Bratislava. While still in his thirties, Kovac lectured at Cuba's central banking school (1964-65) and served as deputy director of the London branch of the Czechoslovak trade bank (1967-69). Kovac was a public supporter of then Communist Party head Alexander Dubcek before the 1968 Soviet invasion of Czechoslovakia. Following his return to Bratislava in 1970, Kovac was expelled

from the party and demoted to bank clerk. In 1971, however, Kovac returned to the State Bank, where he continued to work until he accepted the position of researcher at the National Economic Planning Central Institute in 1978.

In December 1989, Kovac was named Finance Minister in the first postrevolutionary Slovak Government. He was elected to the Federal Assembly in June 1990 as a candidate from the Public Against Violence (VPN) movement. After the VPN split in April 1991, he joined the Movement for a Democratic Slovakia (HZDS) led by then Slovak Republic Prime Minister Meciar. In June 1991, Kovac was named HZDS deputy chairman. He was reelected to the Federal Assembly in June 1992 and became Speaker; he held this post until the federal parliament ceased to exist on 31 December 1992.

Kovac does not speak English. His wife, Emilia, heads a charitable foundation. The couple has two grown sons and two granddaughters.

Aleksander KWASNIEWSKI

(Phonetic: kvahshNYEVskee)

POLAND

President (since December 1995)

Addressed as: Mr. President

Aleksander Kwasniewski, a former member of Poland's last Communist government, defeated Lech Walesa in the November 1995 presidential election. In his inaugural address Kwasniewski said that he would work to bridge the gap between former Communists and former Solidarity oppositionists and that he favors integration into Western institutions as Poland's first foreign policy priority, according to press reports.

Kwasniewski was born on 15 November 1954 at Bialogard near Koszalin. He did graduate studies in transportation economy at Gdansk University. He was a leader in the campus chapter of the Socialist Union of Polish Students (SZSP), the Communist student organization, and joined the Communist Polish United Workers' Party (PZPR) in 1977. Kwasniewski became head of the SZSP's department of culture in 1979 and was elected to the Executive Committee in 1980. From 1981 until 1984, he worked as a journalist for the organization's national weekly "itd" and became

the publication's editor in chief in 1981. He was later appointed editor in chief of the PZPR's youth daily. In 1987, Kwasniewski was given ministerial rank as chairman of the Youth and Physical Fitness Committee, and from late 1988 until 1989, he was chairman of the Council of Ministers' Socio-Political Committee. He served as chairman of the Polish Olympic Committee from 1988 until 1992. He participated in the Round Table negotiations with Solidarity in 1989. Kwasniewski became chairman of the Social Democracy of the Republic of Poland (SDRP) in 1990. In 1993 he led the Democratic Left Alliance (SLD)-- comprised of the SDRP and other successors to the former Communist party--back into the government (after a four-year absence) as the party with the largest representation in parliament. He subsequently served on both the Constitution and Foreign Affairs Committees of the parliament.

Kwasniewski speaks English, German, and French. His wife, Jolanta, is a lawyer and ran her own real estate business until her husband's election, according to press reports. The couple has one daughter.

Martti Oiva Kalevi AHTISAARI

(Phonetic: AHteesahree)

FINLAND

*President (since March 1994)**Addressed as: Mr. President*

Martti Ahtisaari is Finland's first directly elected president. He spent 16 out of the last 20 years in senior UN posts. Ahtisaari campaigned under the Social Democratic Party's banner but formally ended his affiliation with the party after his inauguration because Finnish tradition dictates that the president be above partisan politics and represent all citizens equally.

Ahtisaari, who is responsible under the Constitution for foreign and security policy, brings a wealth of experience in multilateral diplomacy to his position. As UN commissioner (1976-78) and then special representative (1978-90) for Namibia, he helped the country achieve independence from South Africa in 1990. From 1992 until May 1993, he was chairman of the UN Working Group on Bosnia and Herzegovina. Since taking office he has promoted Finnish membership in the European Union and facilitated talks between Russia and the Baltic States on the withdrawal of Russian troops.

Ahtisaari was born on 23 June 1937 in Vyborg, Karelia, an area ceded to the Soviet Union after World War II. He holds a teaching certificate, and he taught at the Swedish-Pakistani Institute of Technology in Karachi during 1960-63. After joining the Foreign Ministry in 1965, Ahtisaari



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served in the Office of International Development Assistance until he was named Ambassador to Tanzania in 1973. In 1987 he became UN under secretary general for administration and management, a position he held concurrently with his duties as special representative for Namibia. He returned to Helsinki in mid-1991 to the number-two post in the Foreign Ministry, where he served until joining the UN team in Bosnia.

Ahtisaari speaks English and Swedish, as well as some French. He enjoys music and dancing. He is married to the former Eeva Irmeli Hyvarinen and has a son.

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18 June 1996

CLINTON LIBRARY PHOTOCOPY

Włodzimierz CIMOSZEWICZ

(Phonetic: cheemoSHEHvich)

POLAND

Prime Minister (since February 1996)

Addressed as: Mr. Prime Minister

Włodzimierz Cimoszewicz succeeded former Democratic Left Alliance (SLD) Prime Minister Jozef Oleksy after Oleksy was forced to step down in the face of espionage allegations. Cimoszewicz is also an SLD member--as was President Aleksander Kwasniewski until his inauguration in December 1995--and, like Kwasniewski, a longtime member (1971-90) of the former Polish Communist party. Cimoszewicz served previously as Vice Marshal of the Sejm (lower house of parliament) from May 1995 until February 1996 and as Justice Minister (1993-95).

Cimoszewicz was born on 13 September 1950 in Warsaw. He graduated from the University of Warsaw in 1972 and earned a doctorate in

international law from that institution in 1978. He stayed on at the university as a professor of law until 1985. Cimoszewicz studied international law at Columbia University during 1980-81 on a Fulbright scholarship. He has managed his family's 20-hectare pig and cattle farm near Bialystok since 1985. He was first elected as the districts's deputy to the Sejm in the 1989 transitional election. Cimoszewicz was the SLD's candidate for President in the 1990 election and finished fourth.

Cimoszewicz speaks fluent English. His wife, Barbara, is also a lawyer. The couple have a daughter, Malgorzata, and a son, Tomasz. Cimoszewicz lists his interests as history, music, fishing, and carpentry. Cimoszewicz last visited the United States in 1994.

Vaclav HAVEL
(Phonetic: HAHvel)

CZECH REPUBLIC

President (since 1993)

Addressed as: Mr. President

Playwright and philosopher Vaclav Havel is a dissident turned politician and statesman. He was a major force in the creation of Civic Forum in 1989 and served as the opposition's point man during the fall of Communism. Havel was elected President of Czechoslovakia after the Communists lost power in 1989 and was reelected in June 1990. When it became clear that the federation was headed toward dissolution, he resigned the post in July 1992 but returned to the presidency just five months later. One of the Czech Republic's most popular political figures, Havel has said publicly that he views his role as providing the country with a sense of continuity and integrity.

Havel was born on 5 October 1936. He earned a high school diploma at night school while working as a chemistry lab assistant. During his compulsory military service (1956-59), he became involved in the theater. The regime denied Havel admission to a university because of his "class origins" (his grandfather was a wealthy real estate developer), but he found work as a stagehand and eventually became a writer and producer at a Prague theater. He graduated from the Academy

of the Musical Arts in 1967. Havel first visited the United States in May 1968, when he came to New York for the premiere of one of his plays.

Havel supported the political and economic reforms of the Prague Spring in 1968 and opposed the Soviet-led invasion that forced their reversal. During the postinvasion return to Communist orthodoxy, the government banned his plays and he lost his theater post. Havel subsequently worked in a brewery and became active in the dissident community. In January 1977, he was instrumental in drafting Charter 77, a human rights declaration. Over the next 12 years, he was a target of continual police harassment, interrogations, and detentions. His longest prison sentence was a four-year term during 1979-83; his most recent was from January to May 1989.

Havel has received numerous honorary doctorates and awards. He was nominated for the Nobel Peace Prize in 1989. His wife of nearly 30 years died in January 1996.

Vaclav KLAUS

(Phonetic: rhymes with house)

CZECH REPUBLIC

Prime Minister (since 1992)

Addressed as: Mr. Prime Minister

A noted economist, Vaclav Klaus has embarked on a program of democratic pluralism and rapid economic reform—emphasizing foreign investment and privatization—that he publicly claims will result in Western-style prosperity for his country. During elections about three weeks ago, however, Klaus' party lost its parliamentary majority; and he is now trying to form a minority government, placing this agenda in doubt.

Klaus was born in Prague on 19 June 1941. He graduated from the Economics College there in 1963 and studied in Italy (1966) and at Cornell (1969). He has a candidate of sciences degree (1967), roughly equivalent to a Ph.D. During the 1960s, Klaus worked in the Economics Institute of the Czechoslovak Academy of Sciences; but he was dismissed in 1970 for his reformist views. He held jobs in the low-level Czechoslovak State Bank during 1971-86. In 1988 he joined the academy's Forecasting Institute, where he became a leading economist.

In late 1989, Klaus became a member of the Civic Forum (OF) and served as its economic expert and spokesman before being named federal Finance Minister. He was elected a deputy to the Federal Assembly in June 1990 and chairman of the OF in October 1990. Klaus and his supporters split from the OF in February 1991 to form the Civic Democratic Party (ODS). He served as Deputy Prime Minister from October 1991 until June 1992.

Klaus speaks English, German, and Russian. ODS campaign booklets have portrayed him as an all-round athlete who enjoys basketball, swimming, and tennis. His wife, Livia, is also an economist; the couple has two sons.

Vladimir Meciar
(Phonetic: MAYchar)

Prime Minister (since 1994)

Addressed as: Mr. Prime Minister

Vladimir Meciar, chairman of the Movement for a Democratic Slovakia (HZDS), has played a prominent role in Slovak politics since the "Velvet Revolution" in 1989. Three times prime minister, Meciar formed his current coalition government in December 1994.

Meciar was born on 26 June 1942 in Zvolen, in central Slovakia. He graduated high school in Ziar nad Hronom in 1959. After completing compulsory military service, Meciar joined the Communist Czechoslovak Union of Youth and later became a member of its Slovak Central Committee. During 1967-68 he served as chairman of the Czechoslovak Union of Youth District Committee and deputy chairman of the People's Control Committee of the District Committee in Ziar nad Hronom.

According to press accounts, Meciar attacked the Communist Party leadership in a speech at a party gathering in 1969 and, as a result, was recalled from his positions and expelled from the Communist Party in 1970. He subsequently found

work as a smelter in a steel factory in central Slovakia and attended classes part-time at the Faculty of Law of Comenius University in Bratislava. After receiving his degree, Meciar worked as a lawyer at a glass works. As one of the leaders of the Slovak Public Against Violence (VPN) movement--the Slovak equivalent of the Czech Civic Forum--Meciar helped overthrow Communist rule in 1989.

Meciar served as Minister of Interior of the Slovak Republic from January 1990 until June 1990. Following the June 1990 elections, Meciar became the Slovak Republic's first Prime Minister in the Czechoslovak Federation, a position he held until April 1991. Following his departure from office, Meciar helped form the HZDS party, which he led to victory in the June 1992 Slovak elections--earning the right again to form a government. During his second term as prime minister (1992-94), he negotiated and oversaw Slovakia's separation from the Czech Republic.

Meciar does not speak English. He is a former amateur boxer. He is married to a physician and two grown children.

Lennart MERI
(Phonetic: MAYree)

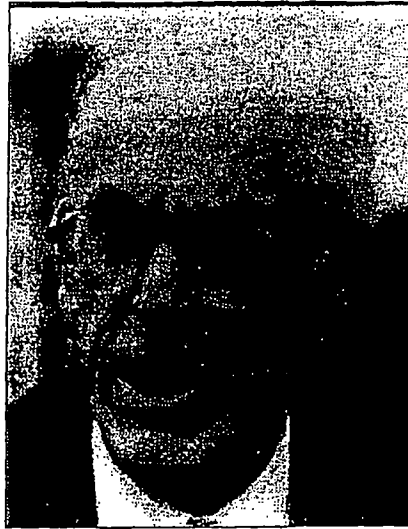
ESTONIA

President (since October 1992)

Addressed as: Mr. President

Lennart Meri is Estonia's first President since the country regained its independence in 1991. He was active in pro-independence organizations during the late 1980s. Meri served as Foreign Minister from 1990 until early 1992, and as Ambassador to Finland until his installation as President.

Meri was born on 29 March 1929 in Tallinn. His father was a writer and diplomat during the 1920s and 1930s, serving in Berlin and Paris before being posted to London as Ambassador. Meri's family was deported to Siberia in 1941 after Estonia was occupied by Soviet forces. The family returned to Estonia in 1946, and Meri graduated from Tartu University in 1953 with a degree in history. He worked as the literary director of a theater and taught at the Tartu Art School from 1953 until 1955. He joined Estonian Radio as literary editor in 1961 and the Estonian Writers Union in 1963. Over the next three decades he became one of Estonia's leading intellectuals, and is widely credited with helping preserve Estonia's cultural identity during the Soviet period. He has made numerous documentary films and travel books based on his travels in Siberia, the Arctic, and the Soviet Far East; several of these books have been translated into other European languages. In 1988 Meri founded the Estonian Institute, a nongovernmental organization that places Estonian students in foreign universities. Meri speaks English, French, German, Italian, Russian, Finnish, and Swedish.



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Meri's Literary Work

Meri has drawn extensively on his travels and anthropological studies to make films and write books dealing with Finno-Ugric populations, ethnic kin of Estonians and Finns scattered throughout Siberia and Central Asia. His best known works include the films *People of the Waterfowl* (1970), *Winds of the Milky Way* (1977) and the book *Silverwhite* (1976), a reconstruction of Baltic prehistory. Meri has also translated a number of European and American works into Estonian, including books by Graham Greene, William Faulkner, Aleksander Solzhenitsyn, and Pierre Boule.

Meri and his wife, Helle, have a 12-year old daughter. He has two adult sons from an earlier marriage. Helle Meri acted for the Estonian Drama Theater from 1972 until 1992. She understands some English.

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19 June 1996

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Ion ILIESCU

(Phonetic: eeleeYESSkoo)

ROMANIA

President (since 1990)

Addressed as: Mr. President

Ion Iliescu will run on the ruling Party of Social Democracy in Romania ticket for his second (and final) full term as President. Iliescu first gained the presidency in national elections after the December 1989 overthrow of former dictator Nicolae Ceausescu. He rose through Romania's political establishment ranks from the 1950s until he was dismissed by Ceausescu in 1971 as Romanian Communist Party (RCP) secretary for youth affairs. Iliescu held lesser posts in the RCP and local government until 1984 when Ceausescu ousted Iliescu from the RCP Central Committee. Iliescu subsequently served as an editor in a technical publishing house until his election to the presidency.

Iliescu was born on 3 March 1930 in Oltenita (south of Bucharest). Iliescu's father was an activist in the small pre-World War II communist movement in Romania. Iliescu received degrees in hydroengineering from both Bucharest Polytechnic Institute and the Moscow Energy Institute in the 1950s. During that time he was also active in Communist Youth organizations. Iliescu joined the RCP in 1961.

During 1964-71, Iliescu was the Minister of Youth Problems. He served as a full member of the RCP Central Committee from 1968 until 1984, during which time he was briefly RCP Central Committee Secretary for Propaganda and Education (1971).

Iliescu speaks English, Russian, and French in addition to his native Romanian. He is married. His wife, Elena, is also an engineer.

Tiit VAHI

ESTONIA

(Phonetic: VEHhee)

*Prime Minister (since April 1995); Chairman, Estonian Coalition Party (since 1993)**Addressed as: Mr. Prime Minister*

Tiit Vahi is leading his second coalition government in 15 months; he dissolved its predecessor, which lasted from April until October 1995, after revelations emerged that the former Interior Minister had secretly taped his fellow cabinet ministers.

Vahi was born on 10 January 1947 in Valga, in southern Estonia. He graduated with honors in mechanical engineering in 1970 from Tallinn Polytechnic Institute. During most of the 1970s and 1980s, he worked at the Valga Motor Depot, rising through the ranks to become director in 1976, a position he held for 13 years. In June 1989 Vahi was named chairman of the Transport Committee. In mid-1991 he became chairman of the communications committee. Vahi then served as Minister of Transportation and Communications from 1991 until January 1992. He served as Prime Minister in a transition government until the September 1992 general election. As chairman of the Tallinn city council from 1993 until 1995, he worked to bridge relations between city officials and opposition groups. He was a member of the Communist party until 1990. He visited the United States in August 1990 for business talks with aviation industry representatives



Vahi and his wife, Raine-Lea—an engineer—have a daughter and a son. According to a press report, Vahi named his son Ronald in honor of former President Reagan as an anti-Soviet gesture. During the summer of 1990, he was enrolled in a course for East European entrepreneurs at York University in Canada. He also spent seven months in 1993 in Germany on a Karl Duisberg Society stipend studying economics, banking, labor unions, and the operations of Germany's former privatization agency. Vahi enjoys track and field, sailing, skiing, boxing, and auto racing. He speaks Estonian, German, Russian, and some English.

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2016-0029-M(2.53)

2/27/2017

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20 June 1996

Paavo LIPPONEN
(Phonetic: LEEpohnen)

FINLAND

Prime Minister (since April 1995)

Addressed as: Mr. Prime Minister

Paavo Lipponen, chairman of the Social Democratic Party (SDP), heads a five-party coalition that spans the political spectrum. (The government holds 145 of the 200 seats in Parliament.) Lipponen was initially elected to Parliament in 1983, failed to win reelection in 1987, but returned in 1991. During his parliamentary career, he has served for several years on the Foreign Affairs Committee. Before re-entering parliament, Lipponen headed the Finnish Foreign Policy Institute from 1987 until 1991, and was managing director of a publishing company during 1988-95.

Lipponen was born on 23 April 1941. He comes from a long line of politicians. His father was also an SDP member, and his grandfather was secretary of the Finnish Party, the predecessor of the Conservative Party, during 1915-19. Lipponen studied at Dartmouth College during 1960-61. He later worked as a journalist while earning a political science degree from the University of Helsinki. After graduating in 1971, he went to work for the SDP: he was the party's international affairs secretary (1971-74) and then headed its political section (1974-79). During the late 1970s, Lipponen was an adviser to President Mauno Koivisto; he also served as foreign policy adviser to Prime Minister (1983-87) Kalevi Sorsa. Lipponen became chairman of the SDP in 1993.

Lipponen speaks English, German, and Swedish. He was an International Visitor Program grantee in 1974 and has visited the United States numerous times. He has published a book, *Toward Change* (1986), that discusses population growth, hunger, and environmental destruction. Lipponen's interests include history, architecture, literature, theater, film, baroque and jazz music, water polo, and swimming. He won a silver medal at the Finnish water polo championships in 1979.



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Lipponen has known his wife, Aila-Marja, since they were both teenagers, according to local press accounts. She has been information secretary of the Finnish Foodworkers Union since the 1970s. According to a January 1996 press report, the Lipponens are having marital problems and have discussed divorce. The Lipponens have a daughter, Paula-Marja, who is a physician.

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20 June 1996

1.4c, 3.5c



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PER E. O. 13526

2016-0029-M (2.74)
2/27/2017 KBH

1.4c, 1.4d, 3.5c



ESTONIA
Grigore-Kalev STOICESCU

(Phonetic: STOYchesskoo)

Ambassador to the United States and Canada
(since 14 May 1997)

Addressed as: Mr. Ambassador

3.5c

Kalev Stoicescu, one of Tallinn's chief Russia experts, is likely to lobby energetically for Estonian membership in NATO. He is also likely to be a strong critic in Washington of Moscow's linkage of a pending Estonian-Russian border agreement to improvements in the status of Estonia's Russian minority, which Moscow spuriously claims is subject to official Estonian discrimination.

1.4c, 1.4d

1.4c, 1.4d



interactions with older counterparts in Vienna. US diplomats report that he is friendly but can sometimes be reserved or even awkward in small social settings.

1.4c, 1.4d

1.4c

11/16/97

In contrast to many other senior Estonian diplomats, Stoicescu does not appear to be a protege of President Lennart Meri. Stoicescu received his post despite publishing a letter in a newspaper during Meri's late 1996 reelection campaign asserting that a second Meri term carried the risk for stagnation in Tallinn's foreign policy. [redacted] 1.4c, 1.4d, 3.5c

Stoicescu headed Tallinn's border negotiation team in late 1995, when he took over as director of the Foreign Ministry's Policy Planning Group, according to Embassy officers. [redacted] 1.4c, 1.4d

[redacted] Stoicescu was behind Tallinn's December 1996 invitation to a Russian delegation to see firsthand that Tallinn's treatment of its ethnic Russian minority meets international norms. Stoicescu, who hosted the delegation, rejected Russian demands that the delegation's brief be expanded from factfinding to negotiating the minority's legal status. Stoicescu also participated in negotiations leading to a 1996 Estonian-Latvian maritime border agreement, [redacted] 1.4c, 1.4d, 3.5c

Stoicescu held the posts of acting director of the Foreign Ministry's Political Department and head of its Third Directorate, which is responsible for Russia and Central Europe, during September and October 1995. Before taking the post of OSCE Mission leader in December 1994, he served as an OSCE expert in the Ministry's International Organizations Directorate from January 1992 until his assignment to the OSCE Mission in May 1993. Stoicescu began his diplomatic career in August 1991 in the Ministry's Information Department and transferred to the Legal Department in October 1991. [redacted] 3.5c

Personal Notes [redacted] 3.5c

Stoicescu was born on 2 September 1965 in Constanta, Romania. His mother met his father while she was studying in Romania, where Stoicescu spent much of his early life. He served in the Soviet army, probably in the 1980s. [redacted] 1.4c, 1.4d He graduated in 1990 with a mathematics degree from the University of Tartu and in 1991 from the Estonian School of Diplomacy. He taught mathematics and information science at a Tartu secondary school before entering the foreign service. He is married to the former Katri Arge; the couple has no children. [redacted] 3.5c

Stoicescu speaks excellent English, as well as Russian, Romanian, and Estonian. [redacted] 1.4c, 1.4d, 3.5c [redacted] he is not satisfied with his Estonian-language ability. His official biography notes that he also speaks French and Italian. [redacted] 3.5c

14 May 1997

[redacted] 1.4c, 3.5c

11/16/97

1.4c, 3.5c



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2016-0029-M (2.75)
2/27/2017 KBN

1.4c, 1.4d, 3.5c

LITHUANIA

Stasys SAKALAUSKAS

(Phonetic: sackalOUskas)

Ambassador-Designate to the United States

Addressed as: Mr. Sakalauskas

3.5c

1.4c, 1.4d

Stasys Sakalauskas will come to his position as Ambassador after having served three years as counselor in Washington.

1.4c, 1.4d

Sakalauskas has consulted closely with his counterparts from the other Baltic states on issues of common concern--such as NATO accession and economic growth.

1.4c, 1.4d

Sakalauskas was born on 19 August 1946 in Kaunas. He graduated with a degree in mechanical engineering from Kaunas Polytechnic Institute in 1969 and earned the equivalent of a Ph.D. in mechanical engineering from the Northwest Polytechnic Institute in St. Petersburg in 1982. Sakalauskas taught at Kaunas Technological University from 1984 until 1991, when he joined the Ministry of Foreign Affairs American and Asian Division. Later that same year, Sakalauskas became head of the Americas Division, where he served until moving to Washington in 1994.

3.5c

Sakalauskas speaks Lithuanian, English, Russian, and Polish. He enjoys gardening, farming, basketball, and tennis. Sakalauskas is married and has two sons.

3.5c

4 August 1997

1.4c, 1.4d, 3.5c

11/16/97

Diff - Any way to
give them a Gold Star?

Confidential
3.5c



Intelligence Memorandum

Office of Russian and European Analysis

6 September 2000

Estonia: Reform Leader of the Baltic States

3.5c

Estonia has successfully reoriented its trade and foreign policy westward while establishing a competitive free market economy and one of the most liberal trade regimes in Europe. Building on Estonia's radical economic reforms of the early 1990s, Prime Minister Laar's cohesive center-right majority coalition, in power since March 1999, has made fiscal prudence and economic growth top priorities in the pursuit of western integration.

- Tallinn scaled back its 1999 and 2000 budgets to swiftly address the negative effects of the 1998 Russian crisis. It also benefited from conducting the least trade of the Baltics with Russia and having close trade ties to Finland and Sweden—which are its top foreign investors.
- After a year of negative growth, Estonia's economy is making a strong recovery, recording 5.2 percent GDP growth during the first quarter of 2000. 3.5c

As the only Baltic state included in the first round of EU enlargement candidates, Estonia has closed 13 of the 30 EU acquis chapters, placing it ahead of Hungary and Poland. Many Estonian officials and businessmen worry, however, that EU-mandated legislation will quash Estonia's pro-open market and low-tariff policies.

- *Most Estonian officials are willing to forfeit a degree of liberalization in order to gain security and trade benefits that EU membership will bring.* 3.5c

With Estonia's EU bid on track, Laar's government has turned its attention to achieving NATO membership through increased defense spending and meeting defense goals established by NATO. *Estonia lags behind other Central and Eastern European aspirant countries—including Lithuania—however, because of its small economy, late start on military reforms, and lack of a national security strategy.*

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Russian officials firmly oppose Baltic accession to NATO and continue to raise the Russian minority rights issue in international forums—particularly the UN and OSCE—probably in an attempt to discredit the Baltic states and counter their efforts to integrate with the West.

- Estonia, with a 28 percent ethnic Russian minority, has brought its citizenship and social integration laws in line with western recommendations, although Russian officials continue to complain of alleged discrimination to the EU and OSCE.
- The Estonian-Russian border agreement, initialed in 1999 and approved by the Estonian parliament, is unlikely to be ratified by the Russian Duma in the near term. Estonian and Russian border guards, nevertheless, maintain an information exchange on border crime and have cooperated on issues such as smuggling.