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SR. ADMIN. OFFICIAL: Good evening. I was asked to run through tomorrow, Poland portion of the trip. I understand there might be a few questions about today's meetings. I have to say that I was present at the summit, itself, but not at the lunch, and lunch is where the climate change discussion was scheduled to happen. So I can talk about what I heard, but that's secondhand and not nearly as good.

Tomorrow --

Q It is for us. (Laughter.)

SR. ADMIN. OFFICIAL: I'm sure, but I'll try not to hold that against you. (Laughter.) Tomorrow the President will be having bilaterals with President Kwasniewski, and separately, with Prime Minister Buzek. In Poland, you have both cohabitation, and the President does have considerable political authority. So it's not a ceremonial presidency. He'll be meeting with both of them.

He'll engage in some ceremonial events, wreath-layings. He will end -- in the afternoon, he'll make the major address of the trip, the speech -- he talked a little bit about it today. Then, state dinner at the, I believe, Presidential Palace. The next day, one more wreath-laying and he's off to Slovenia. That's the bare bones.

In terms of background, we chose Poland for this trip because it is -- we wanted in the President's first trip to Europe to go across the old Iron Curtain line, and in fact, we're doing so twice because of Slovenia. But Poland is not only a new NATO member, but one of the great success stories of the post-communist transformation.

Now, of course, if you're a Pole and in Poland, it's easy to focus on all the things that they have yet to do, but any outside perspective I can see, and I've got some experience in the country, how far they've come in 10-12 years. And if any of you knew the country in the 1980s and haven't been back since, you ought to prepare yourselves for quite a shock.

So part of the trip, as the President has said, is acknowledging that the Poles got it right; that is, they pursued free market democracy, which turns out to be the only answer to deal with the mess

left over by communism that anybody has discovered, and to express appreciation for Poland's support in NATO, because it is a good ally. And it's an excellent place to talk about a new 21st century Europe.

Now, that's -- I honestly don't know how much more to get into. There aren't serious bilateral issues we have with Poland. There are a couple of things that you might look for, just by way of background. There is a -- and this does require some explanation -- we may be referring to a \$20 million transfer to the Polish-American Freedom Foundation, which is something that requires a little bit of explanation.

One of Bush 41's initiatives for Poland in 1989 was to establish the Polish-American Enterprise Fund, which was supposed to promote free enterprise, and in 1989, no one knew what was going to happen; it was a shot in the dark. People thought the money would be lost or dissipated. Congress voted \$240 million for it. Well, it turned out to be such a spectacular success -- loans to small businesses, it set up a subsidiary private bank -- anyway, it ended up making money, the first U.S. assistance program that made money.

After the Enterprise Fund had served its purpose, we and the Poles sat down to discuss what to do with it, and the decision was that, of the \$240 million, half would be returned to the U.S. treasury, which is being done; the other half would remain in Poland to create a follow-on successor foundation -- half that money, plus all of the profit. So one \$20 million to the U.S. treasury; one \$20 million-plus to the Polish-American Freedom Foundation, which is an endowed foundation which gives opportunity grants, scholarships, and supports NGOs, and has a regional component -- I believe one of its early programs involves bringing Ukrainians and others from the former Soviet Union to Poland for entrepreneurial training.

The \$20 million is a sort of early tranche because we expect, as the Enterprise Fund's assets are liquidated, we're able to give more and more money to the Freedom Foundation. So it's complicated, but an interesting story. Very few assistance programs make money.

There are a couple other minor bilateral initiatives, but it really isn't a bilateral visit. There aren't serious problems. It is a place to talk about the larger themes of the trip.

I can answer questions about Poland now, if you want.

Q Can you put some flesh on the bones of the speech you referred to as being a major address, beyond saying the Cold War is over?

SR. ADMIN. OFFICIAL: I wouldn't dream of trying to out-do the President's characterization today of his own speech.

Q If you won't out-do him, then can you give any other indication of the kind of themes that will be --

SR. ADMIN. OFFICIAL: Well, I could go to the transcript of the press conference and read to you what the President said of his own

speech. But I'm really not going to go beyond it, except -- well, it is a speech about his vision of Europe, and Europe and America in the 21st century. Now, I don't really want to say more of that. The President gave, I think, a preview and touched some of the themes.

Q At what point does an American President come to Europe and not sort of dance on the rubble of the wall?

SR. ADMIN. OFFICIAL: Well, I think this is a point -- fair question, and when we were all thinking about the speech, we thought it was important to look ahead and not celebrate the end of the Iron Curtain, but to use that as an existing fact, and then say, well, where are we going.

Q Does he have anything else to say? I mean, that's 10 years old, and the Poles in their mind have moved on, the Germans have moved on.

SR. ADMIN. OFFICIAL: That's quite right. Well, you'll listen to the speech and then you'll judge. But it is -- all I can say is that's a kind of intellectually reasonable point, and a speech which simply said, communism is dead and isn't that great, would not seem to cut it. You obviously have to note.

Q So you're here to preview Warsaw in which the major event is the speech about which you can't speak?

SR. ADMIN. OFFICIAL: I'm talking around the speech. You've got the general idea. I know you would like me to hand out sort of key excerpts, but that really wouldn't do.

Q Can you talk then about how the President -- if this is a major speech, can you talk about how the President and the administration went about preparing it? Did he talk with his father? Did he talk with the key people in the State Department? How was this speech pulled together to express the President's vision?

SR. ADMIN. OFFICIAL: The President has been going over this for sometime, himself. And as I've watched him talk about the European trip I've seen -- I've watched him both direct the speech and advance it. I'm not going to talk about the process except to say he was a leader in setting out the scope, the heft, and what you heard him say today was -- what he said today he was saying spontaneously, that wasn't any part of the prepared Q's and A's. So very much his vision, his product, product of his thinking.

Q How much of the speech is designed for Russian ears in setting up -- allaying any Russian concerns, setting up the meeting the next day?

SR. ADMIN. OFFICIAL: It would be -- I agree, it would seem odd if you had a speech about Europe and the future the day before you're seeing Putin for the first time and didn't mention it. So I think you can count on there being something.

Q Will he repeat his NATO enlargement theme that he's been saying along the trip?

SR. ADMIN. OFFICIAL: He said today in describing the speech that NATO enlargement, EU enlargement, and an enlarged Europe is something that he would talk about the next day.

Q Rice said last week at the Council on Foreign Relations that she sort of didn't buy into this value gap argument. But as you know or may not know, the demonstrators today on the streets suggested that there was quite a gap on a number of issues. You know the litany -- Kyoto, the death penalty, on and on. I'm just wondering how you factor that into the trip, and to the extent that you're trying to bridge that gap, whether you buy into it fully or not, why was it decided that the President would not be meeting with some of the NGOs or opposition groups or some of the nonofficial voices here in Europe?

SR. ADMIN. OFFICIAL: Well, you've asked several questions. No, I don't think there is a values gap. I think that the shared values -- the shared values between Americans and Europeans vastly and dramatically outweigh any differences. For one thing, just in terms of protests, the same -- America as a society would cover the same range of protests as European society. There are anti-death-penalty Americans; there are people in the United States who think that Kyoto was a great thing. So just to postulate that because Europeans protest some of the same issues that Americans protest, it seems to suggest to me that there's a values consistency, and that when governments have to make tough decisions, they're going to -- they're not going to please everybody all the time.

No, I don't think that there's a serious values gap. Ever since I was a college student, I've been reading about America and Europe drifting apart, and by now, you know, we must be on Mars or something because we never stop drifting, we're always drifting apart, and yet somehow it never results in much.

So I just don't buy into it. I also think that the European-American connection is far more -- it's government, but it's also business and it's also massive people. If it's a -- it may or may not be a global society, but it sure is becoming a global -- you know, a knit-together transatlantic world. And I think -- I've read a lot about the values gap, but I don't happen to believe it.

Q What about any discussion of the President meeting with some NGOs or some opposition types on this trip?

SR. ADMIN. OFFICIAL: Well, it --

Q -- of any public forum at all?

SR. ADMIN. OFFICIAL: Well, we had -- it was a pretty intense schedule and it was hard to find. In Brussels, the President went out and went to, I think, a sweet shop, a pastry shop --

Q He went to Mary's and talked to the pool.

SR. ADMIN. OFFICIAL: But I don't think that a meeting with -- a kind of scripted meeting with NGOs would have done much to alleviate the criticism. I think that the message he is sending is one that's going to sink in. I think that the message to European governments that we do care about Europe, that we are not unilateralists, that Europe is important to us and Europe's institutions are important to us has made a good impression. And judging by the reaction of the governments, a lot of these concerns have been allayed.

Q On the President's answer to my colleague's question about his speech tomorrow, he spoke about NATO enlargement and EU enlargement in the same breath. Is he favoring a linkage or coordination in some way of those two different enlargement processes?

SR. ADMIN. OFFICIAL: Don't want to get drawn out into characterizing the speech yet. I really don't.

Q Does he favor then any kind of linkage or coordination of --

SR. ADMIN. OFFICIAL: He said he favors both. It is a matter of historical fact that -- quite apart from anything he will say, it is a matter of historical fact that the enlargement of both institutions is a natural response to the end of the Cold War. It's the answer to the question, what do you do when you stop dancing on the rubble? And what you do is you build a truly united Europe, a truly united transatlantic world.

You know, I don't know, mechanically -- I think mechanical linkages don't really work, but both processes are parallel. I mean, that's just a statement, sort of, of fact.

Q If I can ask a question about today's meeting?

SR. ADMIN. OFFICIAL: Yes.

Q Chris Patten at his press conference suggested that steel had been discussed and that Europeans believed that some politics is being played in America and protectionism is something they fear. Can you give the American side of that discussion?

SR. ADMIN. OFFICIAL: Well, that was -- I was present during the summit when that issue came up and there were two points: one, the President was -- about trade, generally, the President stated very strongly he favors free trade. He stated that it is important to fight protectionist forces in the United States and in Europe.

At the summit, the Europeans said that while they obviously weren't thrilled by the steel 201 decision, they had no cause to complain about the process or about its appropriateness. So they had no complaint to make. The issue -- they did not make the charge of -- at least during the meeting, they did not charge that it was

politically motivated or protectionist. That didn't come up. Now, you know, what Chris Patten said, he said.

Q Let me go back to the previous question about the enlargement. Patten also said that they are two completely different things. When Bush talks about the expansion of NATO, he's speaking as a member of the Alliance. When he talks about the expansion of the EU, it's as if he's just a sort of outside party. Do you accept that sort of characterization?

SR. ADMIN. OFFICIAL: Well, it is true we are a member of NATO. It is true that we are not a member of the European Union. So you can't take issue with that. It is also true -- and Europeans will acknowledge, EU leaders will acknowledge this quite readily -- that in some larger sense, there is a relationship between the two. Not a mechanical linkage. One isn't -- membership in one does not create a precedent for membership in the other. They have different rules, different organizations. But it is one thing to make a technical answer and another thing to make a larger strategic answer. And those are answers which exist on two levels of what is technically true and what is more broadly true in an historical sense.

Q The fact that the EU -- the first EU eastward enlargement is still discussed and there is no fixed date and so on, and it seems to be a lot of problem with this, how much has that fact affected the U.S. view now that you should go on with the second NATO enlargement?

SR. ADMIN. OFFICIAL: Well, to be fair, the European Union is a union. And countries that want to join have to adopt -- what is it -- the 80,000 pages of the acquis. Isn't that the current -- or, you know, how many pages depends on what language you're using. But it is a hard process, just mechanically. We understand that. But it's important not just to be -- to talk about the technical side, but to talk about the larger strategic and historical opportunities of both institutions, the great pillars of the West, expanding as the community of democracies in the West expands. But that's -- if you're trying to elicit from me a sense of impatience, you won't because we

understand that it is genuinely difficult. Of course, we want EU enlargement to go ahead. Of course, we favor it. But it is a genuinely difficult process, and we think that these two will move forward, and should.

Q Who is in the driver's seat?

SR. ADMIN. OFFICIAL: Oh, I don't know. You know, in 10 years, in 20 years, it may not matter at all. And if things work out well, it won't.

Q I know you said you weren't involved in the Kyoto discussion, but maybe you can take this anyway.

As you know, the EU Environmental Commissioner reacted to the President's Monday plan on Tuesday by expressing concern that it sort of smacked of foot-dragging. I'm wondering if the President did or said anything to try to allay that concern, number one. And number

two, what do you see as the U.S. goal in the Bonn participation? Is it to somehow try to fix Kyoto, to try to buy time, or to try to present a whole, separate framework?

SR. ADMIN. OFFICIAL: I actually talked to some of the Swedes about the EU reaction, and they laughed and said they hoped we understood that that reaction was sort of an inevitable thing and that it didn't mean that they were going to continue being disappointed. One of them said, they were obviously disappointed by Kyoto, but you can't live your life being disappointed and have to get over it, and move to start identifying common ground and building on it. So that was, I thought, a very well-put way of describing what we hope to do.

The Goteborg statement language on climate change, I think, is actually pretty good. And basically, it is a slightly more detailed version of Prime Minister Persson's "we agreed to disagree," and then move on. So I think that was very good, from our point of view. As for the details and what kind of a framework, one of the few blessings of my portfolio is that it does not include climate change. And I will see to it that it doesn't, if I have any power at all.

Q This is a bit outside your area, too, but the World Trade Organization -- could you give us some idea of what advances were made in the last few days, and also what issues, what are the issues that remain before that process can go ahead?

SR. ADMIN. OFFICIAL: I really am not terribly literate on WTO issues. It was a -- that was one of the major topics discussed at the summit itself -- trade and, under the rubric of trade, commitment to launch a WTO round, a discussion on trade disputes. And there was general agreement amid considerable laughter at the table that this was the first U.S.-EU Summit ever which hadn't been consumed by bananas. So there is some hope for progress. Everybody enjoyed that moment.

There was also a discussion of an alternative dispute resolution mechanism, a kind of arbitration mechanism which would be available to avoid basically international litigation when parties felt that was the best way to go. So there was a good, positive discussion of international trade and a desire to launch a new WTO round.

Q If I could return to the question about the President's statements on EU enlargement. I think Commissioner Patten's point was that the President was speaking somewhat out of turn, that it is not at least formally a matter for the President to be commenting on, because the United States is not a member of the EU. Can you respond to that?

SR. ADMIN. OFFICIAL: Oh, I think that I wouldn't take Patten's remarks that way. Obviously, the EU is -- the Europeans don't want us to be impatient or to scold them or to tell them to set timetables or to speed it up. And we're not doing anything of the sort. So I would look at Chris Patten's remarks, properly noting the EU's prerogatives, without taking issue with the larger points, that EU enlargement is a good thing.

The EU -- let me see, now -- the EU says it is its intention, its

mission, its desire to enlarge. U.S. President: That's great. EU: How dare you say what we're doing is great. That's not -- that exchange obviously makes no sense, and I don't think that's what Patten intended. Certainly, I don't take it that way. I think if we were -- again, if we were saying that they are going about it wrong or they ought to do it faster, if we were expressing an impatience, okay; but we're not. We're expressing appreciation for their intentions to go ahead.

Q But I think Commissioner Patten's concern mainly comes out of a sense of context. I mean, tomorrow and Saturday is a very important EU summit where enlargement is a very sensitive issue, at a point when, as you know, enlargement negotiations are at a critical stage. Meanwhile, the President is going to the most populous and, in negotiations, rather difficult candidate country, and at the same time there's this idea being bantered around that, well, maybe some countries that don't get into the EU this time will be offered NATO membership as a sop, and vice-versa.

SR. ADMIN. OFFICIAL: That's too complicated for me.

Q Maybe it was a bad time frame to venture it as goodwill in such a frank way.

SR. ADMIN. OFFICIAL: I think the Swedish presidency has stated its strong support for enlargement. They have done so publicly. And again, it seems odd that there's a suggestion that saying the EU's initiatives and stated intentions are noble and good would be seen as somehow not a good thing. That doesn't sound quite right to me. It's a positive statement by the President, supportive statement of the EU, and its enlargement process, and I think that's wholly to the good.

Besides, in the case of Poland, Poland is already in the EU, it's already in NATO. It is the most populous country, and there are obviously issues of agriculture. But the notion that you offer NATO membership as a sop to difficult countries doesn't work.

Q -- this question of, for instance, Romania and Bulgaria getting in NATO in return for the Baltics, just in the EU and not in NATO?

SR. ADMIN. OFFICIAL: No, I mean, it doesn't work.

Q Bush 41 actually had a position, as I recall, in favor of Turkey belonging to the EU. One, does Bush 43 have any position on Turkey, or does it specifically support the addition of any other country to the European Union?

SR. ADMIN. OFFICIAL: See, if I did that, then you'd quote Patten right back at me and I'd fall into it.

Q I'm asking a policy question: Does this Bush administration

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SR. ADMIN. OFFICIAL: It is not our place, then, to get into the specific details.

Q -- backing away from Bush 41, calling for the admission of Turkey --

SR. ADMIN. OFFICIAL: No, I didn't say that. What I'm saying is, I'm not going to go in a backgrounder and start character -- getting into a discussion of individual countries, yes or no. Okay? So I haven't answered your question.

Q I'd like to ask about European defense policy, because the President yesterday said that the EU force could be integrated with NATO.

SR. ADMIN. OFFICIAL: Right.

Q The EU leaders are going to repeat tomorrow that they want an autonomous capacity, and these two statements don't really fit together. And was this discussed today?

SR. ADMIN. OFFICIAL: The joint statement -- the Goteborg statement does have a paragraph on ESDP. The U.S. position is what it is. We think that a European rapid reaction force -- a European security defense policy is a good thing, if it is constructed and functions in a manner that produces net real gains in capabilities, is coordinated transparent and consistent with NATO. And we have every confidence that in the end it will work out fine.

Q The fact is that both in EU and NATO there are disagreements about this, none of the partners can --

SR. ADMIN. OFFICIAL: Well, there are issues of how to bring NATO and the EU together in the security dimension. That's tricky, because it involves real assets and planning and forces. But we've made a lot of progress, and we're getting there. There's more work to be done, but this is something which is on a more converging than diverging track. So I'm pretty satisfied with the last several months of developments. Now, we do -- the Europeans will have to -- it's up to them to show that there are real net increases in capabilities, but they say they're going to do it, and we have confidence that they will.

Q Was it discussed by the leaders, or was this just --

SR. ADMIN. OFFICIAL: It wasn't discussed in the summit. This didn't come up. It came up, obviously, in the negotiation of the Goteborg statement. So we had -- it is true that there are different views; there are different views among EU member states without getting into individual countries. But I think these issues are being brought together slowly, and I think, like as not, we'll have quite a good outcome.

Q One last -- what's your view on the Swedish presidency? Obviously, they tried, but the summation is that this was taken over by some greater powers and they couldn't deliver. What's your comment on how this has been handled?

SR. ADMIN. OFFICIAL: Oh, you mean, on the ESDP question? Well -- are you referring to the efforts to settle things with the Turks?

Q Yes, and the United States, as well.

SR. ADMIN. OFFICIAL: I thought there was some progress made. I thought the Swedish presidency was quite successful. I think Sweden did a very good job. I think that Sweden -- and I've worked with Swedish foreign policy officials for sometime before this -- Sweden has views about the future of Europe and Euro-Atlantic relations, which are very close to ours. We enjoy working with the Swedes, and we think that they brought a lot to their presidency. It was quite successful and delighted we're here.

Anything else? Yes?

Q No, not about Patten. But Macedonia -- President Trajkowski today asked Lord Robertson and Javier Solana for a NATO force that would help disarm the rebels there. Would the United States be willing to participate in that kind of NATO force?

SR. ADMIN. OFFICIAL: Much too early for me to say; don't want to get into that now.

Okay, see you tomorrow.

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