

Warsaw and Kracow, Poland
August 18 and 19, 1990

East Germany is going to have a cakewalk compared to this devastated state. They're trying the toughest, fastest, bravest economic reform plan of all the newly free countries in Central Europe. But they are saddled with an overwhelming official and non-official debt (\$40 billion) that nothing can really happen until it is dealt with. Only \$3 billion of this is US debt and its mostly official, government-to-government stuff -- meaning we could write it off with ease. That would also put some pressure on the Germans who hold most of the rest and aren't at all impressive when they speak of their obligation to help. The Bonn official implied that this matter would be taken up in the context of the German-Polish border treaty talks but does that have any meaning? Worse, does it mean leverage on border concessions?

Walensa is becoming an unqualified disaster. He has split with the prime minister he installed and he wants the presidency. I asked _____ whether a strong presidency or a strong parliament would be best for Poland and he said unequivocally, a strong parliament. But he confirmed that Welensa wanted to be President, could not be denied at the polls, and only hoped that as chairman of the constitution committee, Parliament would write restraints on the powers that would prevent a powerful single executive. Reason: strong leaders can be a big problem for countries facing enormous sacrifices and have no history of democratic traditions. Temptation is to turn to a man on a white horse.

Warsaw is a monument to first the devastation of the war, it was virtually flattened, and, next, to the debacle of communism. It is the capital of a debt-ridden economy, a population with no managerial skills, an increasingly sullen population whose participation in elections is dropping off now that the Communists are essentially out and there is a widespread lack of understanding that active participation in politics is the only way democracy survives. I was told of the reverse: that participation, now that the Solidarity had done so well in the election to the lower house of the Sejm, that political party involvement reminded people too much of party involvement in the old days and was thus distasteful.

Yet the upcoming local elections will be critical. Scheduled for _____, this is where the remaining party hacks will be rooted out. Poland finds itself in an ironic position right now in that it can no longer bask in being on the cutting edge of democracy in Central Europe. It was Solidarity that leveraged its political muscle into a negotiated election agreement with the communists -- 1/3 of the upper house would be freely elected and all of the lower house. They won everything that was open. That started the chain of events that tipped over the East German, Hungarian, Czechoslovakian, Hungarian, Romanian, and Bulgarian regimes, but Germany, Hungary and Czechoslovakia are freer today because they have no "compromise democracy" and the Poles are eager to catch up.

Jack Karoc: blue denim, chain-smoker. Aide with cigarette carton. Labor and Social Services minister. Aggressive, impatient man to point of belligerence. Didn't want to see us, another in a long line of delegations who came to talk but do little to help. Bitterly critical of

Walensa: called him a "seismograph" mouthing every complaint the public utters for his political advantage (this coming from a man who was on the ground floor of the Solidarity Movement). Pessimistic about future: Poles want to be told what to do, don't want to take risks. Talked virtually non-stop and pissed me off, so I interrupted him and told him I had a hard time understanding what he thought the problem was: the government or the people! A consummate actor, he, and his objective was to leave a strong personal impression with us rather than to edify us. All bitching; no constructive solutions. I can see, however, how useful this fist-pounding, fog-horned voiced unionist will be to the prime minister's government in putting down worker unrest that Walensa seems willing to manipulate.

Kracow: felt I was finally in Poland. Horse drawn carts, hay stacked by hand, beautiful Medieval village with great hotel, crystal, town square and farmer's market. Even a great art gallery with some wonderful, undervalued oil canvasses and sculpture that haunt me because we didn't pick them up. Market in shopping for crystal and art and retailing them in US. I have the crystal-makers cards, and I need to explore. Great Medieval restaurant, showing the warlike history of the tribes of Europe that are now unloosed again when the ice cracked on the Cold War.

Dublin, Belfast, Shannon Ireland
August 18-19, 1990

Land in Dublin. Briefed by John (?) on the International Irish Fund. 3 yrs Administration after 5 yr commitment. Obey's committee carrying on without requests: this year 5th year bringing total to \$170m vs. \$250 million Administration promised to help cement the Angla-Irish deal. Controversy over bookie operations, tourism hotels, and shopping centers in west Belfast. Then flew to Belfast to look at three enterprises with protestant and catholic chamber types. Impression of projects: grim. Located on "peace line" with walls between catholic and protestant neighborhoods. British solidiers in camouflage with automatic rifles at each block, armored trucks with turret holes. IRA and UVF murals checkerboarded throughout Londonderry, Ulster and the protestant and cathloic neighborhoods. Walls on each side of a street, concertera wire dividing one side of a street from another. Union colors and banners hanging across the streets, masked IRA gunmen glorified in wall murals. Two blocks from an IRA mural, a protestant section: "British Army Welcome Here." Each of these visable, provocative to the other side.

In Berlin, where we'll be in two days, the most notorious wall of 20th Century is coming down. Here, walls everywhere. "What would happen if the walls here were to come down, John (?) was asked. "He seemed to taken the question incredulously. "Well, a few nights ago, a man was shot right over there, playing with his granddaughter on his front porch," he said. "The gate had been left open."

The community leaders turned out in force to impress us about the availability of labor (70-80% in some pockets), ability to offer low wages -- a mournful hope that seemed futile stacked against such engrained evil. I was told that any enterprise supported by the Catholic clergy would be safre from bombing but that anything else was a target because the IRA thrives on deprivation and must have it. I asked a businessman what kind of American investment would be attractive to US business and he said light weight components (for low shipping costs), for assembly there, as a way to enter the EC. High tech circuits came to mind but maybe simpler, less cutthroat competitive things.

Dinner with Foreign Minister Collins: returned from Saudi Arabia and didn't return to join us at dinner until 11:30 pm. He confessed that The Fund had made mistakes and would be more sensitive to US political backlash, said to Obey that his government didn't consider it an openended US commitment. Said his governement thought Iraq boycott should be enforced militarily with a UN force, not the US alone but was not critical of US (Well, he did want contined USfunding of the Fund.)

I never wanted to get out of a place so fast in my life -- as bad, really, as the Soviet Union. Taunting hatred, underlying evil everywhere; people/automotons walking in a daze.

On to Shannon. Day long bus tour to Spanish Point where the Spanish Armada was sunk and survivors were executed on the spot. Then the Cliffs of Moehr -- breathtaking coastline in County Galway. The return to Shannon: through County Gael and the rough, stony Burn Country where arctic and alpine plant life coexist inexpictably in a world of spewn rocks. Rock fences everywhere where hands tried to carved up and clear space for grazing with some success. Rains create underground rivers. People have lived here since the Stone Age: can see ancient Stone Age burial houses even now.

Lunch at a wonderful, though expensive manor house -- Gregans Castle Hotel, Ballyvaughan, County Clare; telephone 065-7705. Quiet beyond words. You could bring a booksack, a tape of gentle folsongs and classical music and spend a memorable week's vacation -- walking with shelegeighs for exercise in the cool, fresh air.

Now we're en route to Bonn for a two-hour classified briefing with the deputy Defense Minister; then on to Berlin where we'll have meetings with the East Germans in the wake of the Christian Democratic purge of the Social Democrats and virtual collapse of the Eastern coalition. It's all a part of maneuvering to see who can win best advantage for next election -- including efforts to force early election. The working part of the trip begins.

August 19, 1990

Best meeting: young national security advisor of East German Prime Minister Lothar de Maiziere, about 28-years old, tanned, light brown hair, blind in one eye, dressed in a anti-establishment, baggy cotton suit.

He asked for copies of my military security and national defense articles when I mentioned my work on ASATs. Told us he wanted to remain action in politics, possibly government, after unification -- "but never for Mr. Kohl."

Described public frustration economically: "mistakes of the GDR, arrogance of the FRG." I told that last to mean Kohl's pledge to accomplish unification, east economic reform without raising taxes. I could check with colleagues to see if they had different/other interpretations.

Predicted 3-4 years of economic decline. Lays this to anti-tax-increase position of FRG. Thinks if the economic chaos gets too far out of hand, this may lead to a far-right, nationalistic, neofascist political emergence. He named the Republican Party, smiling that they weren't the same as American Republicans. Some 1.2 million are jobless now (in East Germany?) in a population of 8 million. Estimates 2 million by Fall.

Supports continued presence of US troops in Germany is "Germany isn't singled out." (Too independent?)

Urged US investors to attend the Leipzig Economic Fair, starting this year. September 2-8. This is annual event; been ignored by FRG, he said, because West Germany is waiting for prices to fall further and then move in to invest cheaply. He pointedly said this gave an opportunity to American business. (I should keep track of next year's fair, try to attend.)

Predicted this, when asked by Obey what unified Germany would look like in 10 years: "Germany would become the greatest economic power in a Europe without borders and that politics would increasingly revolve around ecology and the political and economic issues of North/South."

It's interesting to see the variance in quality between our embassies. Here in East Germany, with the exception of one individual, Mike Mozur, the Economic Consul, it was a disaster. The Embassy lost, failed to file a critical Obey Committee cable and had a 25-year-old novice completely botch up the group discussion with the National Security Advisor. This, after Undersecretary Eagleburger cabled each embassy to explain that Obey's committee is the committee that really does foreign affairs (since the authorization committee never gets it together.)

We saw evidence of social strains we'd read about, with West Germans wanting their property back, dislocating people; FRG blaming East for pissing money away; major potential for inflation if Kohl continues to stay on his Reaganesque pledge of "No new taxes." Bonn official we met with before going into Berlin -- get his name, title -- was pretty ridiculing of this political whimsy, rolling his eyes as he described the government's position. Also he expressed a FRG view of EC membership of Poland, Hungary, Czechoslovakia that was wary to the point of condescension. East Germany will get in, after all, without an EC vote, through unification -- all to the greater glory of One Germany. He wasn't eager to add the additional dead weight of the other Central European catastrophes (economical and environmental) to the emergence of the united Europe 92 and the potential it had for being a power to rival US and Japan.

But, as THE ECONOMIST said in its August 25 edition as we flew home: "the economic news may well get worse before it gets better, bringing with it a "hot autumn" of strikes, demonstrations and fiercer election campaigning. It looks nasty -- until you compare it with the literally hopeless hshambles under the communists, or with the plight of neighbours like the Poles and the Czechoslovaks, who can expect far less aid from the whole of the West than East Germans are already getting from West Germany alone.

Sue and I stood at the wall at the Reistag, where, three years earlier, we had looked across the menacing wall and sinister Volpo guards had peered back at us with binoculars. Only this time there was no wall! No Checkpoint Charlie. A college student from Chicago was among dozens who were pounding chunks of the wall for souvenirs; others did it to sell. Tables were up everywhere, selling graffiti-painted sections of the wall, Soviet buttons, military hats, trousers, other pieces of clothing. We were to see this throughout Central Europe: it was if the Soviets were disrobing as well as disarming. Clearly, Soviet soldiers are selling these items for what they can -- and in Hungary the head of the National Cooperation Organization said the demoralization had gotten so acute, the soldiers and officers were selling their guns which were falling into the hands of local thugs, and that they were also selling mechanical parts -- including in one instance he knew, a mechanism for a missile launcher.

Prague, Czechoslovakia
August 25-26, 1990

We were completely unprepared for the unspoiled beauty of the place. Unlike Warsaw, it was far enough out of major assault routes to come out of the war unscathed. Today it's a Medevil gem of a city, with spires and icons and cobberstone streets and 19th century streetlamps and artists and perfect architecture in mauves and cream, taupe and pale green, yellow and gold. Prague is the swans that swim the River _____ with style and beauty and grace.

Prague is young with the energy of politically awakened youth and the ecstasy of art fused with history and life. Havel is the model in every sense, for policitics and for life values.

We walked to Wensleslaus Square, to where the tanks had come in 1968 and where the students came in 1989 to topple the government with a mass assembly of civil disobedience. The Czechoslaks filled the square on this sunny Saturday. Vendors sold crystal, folk art, musicians performed, street theater flourished, people gathered at sidewalk cafes. A Soviet tank had been overturned at the end of the Winseslaus Square and "No Tanks" traffic signs fronted it in both directions. In the Old Town Square a few blocks away, a Soviet minti-sedan was an object of ridicule-art: it's exterior jacked up on four legs, eight feet high with huge humanoid feet -- all spray-painted a metallic gold and set off with a pair of huge gonades and a penis. I don't know about Jessee Helms or the old Communist bosses, but the crowd loved it. Everyone was taking in the first August of freedom.

We met Havel at the Presidential Palace. It is beautiful beyond words, outside and inside. Thank God Havel is using it instead of doing a Jerry Brown and working out of a flat somewhere. Obey had a hard time getting this meeting: first, Havel consented only to seeing him, then a selected group of Members, then the Members only. Finally, we all agreed that he would come out to the reception area and meet the whole party, including spouses, then retire to the meeting room for a discussion with Members and staff.

His points:

1) Does not think the Slovak independence movement will prove serious in the long run as things begin to improve for the whole country. Like the Deputy Foreign Minister I chatted with later at the US Ambassador's reception, he felt that this was a reflection of the Slovaks own, personal way of demonstrating their independence from the overthrown Moscow puppet regime.

2) Supports the UN embargo of Iraq without qualification -- but with a high price. Soviet oil will be charged at world market prices on January 1, a major price jolt, and Iraqi oil imports have stopped, a jarring supply jolt. Yet he said it is the principle that governs: his county understands all too well what an occupying force means.

On the afternoon of the first day, Sue and I walked down W. Square, through Old Town, to the Charles Bridge. There, between religious statuary touched off with gold leaf crowns, crosses, stars and such, we found a cornucopia of vendors of folk art, photography, and communist buttons, military uniforms and other objects that were already being treated like museum pieces. On the second and last day's stroll through W. Square, we came to a circular flower bed turned into a shrine for those who sacrificed themselves in 1968. It was filled with jars of chrysanthemums and gladiolas and, on the cement ledge, mountains of wax and glass candle holders, melded into a single mass, by endless vigil. People gathered and stared silently. Further North(?), more flowers at the base of the statue of King Wenceslaus, the great patriotic figure. Now and then, a person would step over the chain and place another flower at the shrine. And the crowd was silent. It was silent because it was staring and in thought.

How much are Americans willing to sacrifice for their country? For what are they willing to sacrifice? I was ashamed that in the U.S. we are paralyzed because the Nation believes Reagan and Bush -- they don't owe the country a thing.

Americans are liked here now, as they are throughout Central Europe. Street vendors did a good business with US flag decals and other paraphernalia. We would give US House of Representative ballpoint pens to vendors, hotel workers and others who were friendly; one young man who sold us some ceramic pins on the street simply exploded with joy. "You have a great country," he said, beaming. "So do you now!" I replied. He must have said goodbye to us four times. It was like that everywhere.

On privatization there is friction between the Finance Ministry and "Prague Castle," as the _____ of the Finance Ministry called it. In an a remarkably frank discussion, he addressed our questions about the slowness in the pace of economic reform. (It has been slow; unlike the Poles, they've wasted valuable months debating the proper name of the new country and other small points. He said the government is pointing toward a January 1 "D-Day" in which everything is implemented at once. He was left-handedly but pointedly clear that Havel had no economic experience and only a week earlier had made a public statement that people would have to sacrifice to modernize their economy. Up to then, he said, Havel had been saying that no one would have any pain.

I share Matt McHugh's concern that the one man who can captivate the public, cause them to step up to the needed sacrifices is not preparing his countrymen for what's to come. It raises the question of social unrest, made worse by the new Slovak independence movement.

But the Finance Ministry's plan, as described to us would be enough enough to make me cautious, too. They are talking about issuing coupons to every citizen, worth a certain number of points, which, after the citizen goes through enough screens, he would be able to convert to a number of shares of stock, to purchase stakes in state-owned enterprises and land. No mention of letting experienced Western firms come in and buy ailing big facilities to

get the thing going. How does the Czeck citizen know what's of value and what isn't? How can he read a prospectus? Does the government even know how to produce a prospectus when, on the budget side, the previous regime's books were so cooked that now, when it comes to expenditures, the minister said at bet, all they could do is make a "random guess"?

They hope to develop a "trading profession" for the buying and selling of shares and by doing all this, avoid having to delay progress until a formal stock market is set up.

There is no banking system, retail credit system, and the currency is not convertible. While coping with this, the government will have to pay world market prices for Soviet oil imports on January 1, 1991, and by joining the embargo of Iraq, they're losing one third of their current supply base.

Big question of their high quality arms industry, one of the best in the world. Will they have to become "Frenchmen" and sell to any despot in the world for foreign exchange? It's one of the few state-of-the-art enterprises they run. A US embassy person told me they reported that they've "changed the bore" their weapons so they no longer accept Soviet munitions. Something to check out.

I leave with the feeling that "minimalist" America is missing a bet here. Americans are idealized, not the Germans, not the Japanese, not even the Italians, who are swarming through the place and trying to put together an economic block that would include Austria, Hungary, Yugoslavia, Czechoslovakia as a counter-weight to an united Germany and to leverage its on position. But with our popularity, a "Marshall Plan" would give us a dominate position in a post-Cold War era that we've spent trillions of dollars of bombs and missiles on. Yet George Bush talks of volunteers. They need infrastructure, they need massive chemical and toxic waste cleanup, they need coal scrubbing technology, they need telecommunications, they need hotels, roads, hospitals, financial services -- and a plan to produce products.

Here in Prague, and earlier in Budapest, the feeling hit me that we were tracing the outlines of life as it was lived in the world in the early 1900s, before the war. Old borders and national distinctions were reemerging and we were watching the revival of a fragmented, nationalistic, Europe of ambition, charm and intrigue that the world had not seen in nearly a half century. Does the rest of the world know enough to prepare to deal effectly with such a region?

I realized that Sue and I were living through a new world, full of possibliity, hope, mystery, risk, endless possibilities. I thought of Tom Wolfe who said after *Bonfire of the Vanities* that writers of fiction had forfeited the chronicling of life to the journalists. And I thought of Hemmingway and the rich ore he mined in life during the Spanish Civil War, the WWI, the 20s. This place calls for the fiction writers now.