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MEMORANDUM FOR DR. ZBIGNIEW BRZEZINSKI THE WHITE HOUSE

Subject: Agenda for Discussion of East European Policy

The Department requests that the attached agenda . for a consideration of general U.S. policy towards Eastern Europe be circulated to principals, in anticipation of discussion at the PRC meeting now scheduled for August 23rd.

> Peter Tarnoff Executive Secretary

Attachment:

Agenda for PRC Meeting

drafted:EUR/PP:LFuerth:mh 8/17/77 x21135

cc: C - RHopper EUR - RDVine **JLuers** S/MS - Mchulman DHA - Brody

DEPARTMENT OF STATE

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AGENDA FOR EASTERN EUROPE

The PRC meeting of April 14 led to instructions for a follow-on study to sharpen two of the four general policy options for Eastern Europe presented in Section V of PRM-9:
(1) Option III -- give preference to East European countries that are either relatively liberal internally or relatively independent internationally; or (2) Option IV -- abandon any implicit rank ordering, and seek to expand contacts and relations across the board to the extent possible and feasible. Discussion at the pending session of the PRC should therefore center on the following issues:

- 1. What would be the difference in practice between Options III and IV, as regards the basic bilateral issues:
- -- Should we act to solidify and develop our positive relations with Romania and Poland? In fact, how much further can we go?
- -- What would be an acceptable scenario for returning the Crown of St. Stephen to Hungary? Assuming that we return the Crown, what further political benefits can we hope to derive in U.S.-Hungarian relations?
- -- Should we define to Hungary what conditions would enable us to grant MFN/credit eligibility?
- -- Might the above steps, alone or together, preclude gradations in our approaches to the Eastern European countries?
- -- In Bulgaria, Czechoslovakia and the GDR, should we concentrate at this time on specific normalization steps (e.g., the consular convention with the GDR)?
- -- Pending progress in these areas, are there incremental improvements in our relations with any or all of these countries we might wish to make?
- -- If progress occurs in the bilateral areas what kind of steps is the U.S. then prepared to take to expand relations?
- -- If Jackson-Vanik were to be repealed, amended or suspended, what standards, if any, would the U.S. require these countries to meet before it would be willing to grant MFN?

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- 2. How does choice between Options III and IV relate to basic U.S. purposes and interests?
- -- For positive developments in the internal affairs and external policies of the Eastern European countries?
- -- For positive developments in the relationship between these countries and the USSR?
 - -- For U.S. relations with the Soviet Union?
 - -- For the interests of our Allies?
 - -- For the role of CSCE?
- 3. Should the U.S. proceed on the basis of Option III or IV? In either event, are there any special cases (i.e., the GDR) requiring a modified approach?

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