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Relations between Poland and the United States

One of the pillars of Polish foreign policy is to develop cooperation with the United States. Intense relations with the US contribute to the achievement of Polish objectives and pursuit of the country's interests in key areas, security in particular. It is in the Polish national interest to maintain the involvement of the United States in Europe, as it guarantees security and stabilises political and military relations on the continent.

The primary platform for cooperation between Poland and the United States is international security: Poland's presence in the anti-terrorist coalition and in operations in Iraq, Afghanistan, Kosovo and Lebanon. In addition, Poland also actively participates in the transatlantic dialogue on the Wider Middle East and Iran.

Poland's involvement in the Middle East reflects the intent to be an active player in international politics, and is used to enhance transatlantic relations. The Middle East conflict is one of the key topics on the agenda of Poland-US consultations. Currently, it is fundamental to the US foreign policy, and Poland appears to be a valuable partner in this respect. Owing to the support offered during the US war in Iraq, Poland started to be perceived in Washington D.C. as a reliable state and one willing to take risky actions. This accumulated significant "political capital," not only from the Republican administration, but also from its numerous critics. The capital represents substantial value in international relations and allows bolder planning of Polish actions in the relations with the United States.

Poland's decision on the deployment of additional troops, to reinforce the Polish military contingent in Afghanistan was construed by the United States a sign of responsibility for the success of NATO's Afghan operation. It also represented a gesture of support for the vision of the Alliance as an organisation that plays an active role in international politics, develops its military capabilities, and is preparing to take on new security challenges in an effective manner.

This is how Poland not only solidifies its image as a reliable ally, but makes an effort to retain the key security policy mechanism in the transatlantic region

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for NATO, which combines the traditional function of a political and military alliance with the properties of an organisation that adapts to the constantly changing environment of international relations.

Polish diplomacy presents the development of strategic relations with the United States and membership in the European Union as complementary objectives. Good relations with the US strengthen our position in relations with other EU states. Also, by building a robust position in the Union, Poland becomes a more attractive partner for the United States, as it indicates the need for an ever more actions by the US on European policy, not being limited to the European Union issues. Therefore, Poland is an active interlocutor in the transatlantic dialogue, used by the US and the EU not only to offer new quality of the relations between them, but also to influence the phenomena and processes in the regional and global dimension. This cooperation is extremely broad and covers economic issues, international security (combating terrorism, counteracting proliferation of weapons of mass destruction, stabilisation in the Middle East and the Balkans), political issues (such as the promotion of democracy in Eastern Europe and other regions of the world) as well as energy security, climate change and fighting infectious diseases.

Poland declares itself in favour of enhanced transatlantic cooperation regarding policies on Eastern Europe, South Caucasus and Central Asia, and supports coordination of US–EU actions wherever possible. This primarily applies to the support to political and economic reforms in Ukraine and the country's integration into Euro-Atlantic institutions, as well as the long-term commitment in favour of transformation in Belarus. Poland encourages its partners to work out joint policy standards on Russia, including the energy security aspect.

Political Dialogue

A reflection of the extensive agenda of Poland-US relations was the countries' active political dialogue.

On 8–11 February 2006, President of RP Lech Kaczyński visited the US. The agenda of the visit covered, *inter alia*, a meeting with President George W. Bush, officials of the American administration, and leaders of the Republican and Democratic Party at the Senate of the US Congress. The President also met representatives of Washington D.C. think-tanks, the leadership of the Polish American Congress and the heads of the American Jewish Committee. Political talks focused on such issues as Eastern policy (Russia, Ukraine, Belarus), policy

on Iran, energy security, the future of NATO and bilateral relations. During the visit, a Poland-US agreement was signed on cooperation in science and technology, and on financing F-16 pilot training.

On 18–20 June 2006, Poland's Minister of Foreign Affairs Anna Fotyga took a working visit to Washington, D.C., to meet Vice-President Richard Cheney, Secretary of State Condoleezza Rice, President's advisor for national security Steven Hadley, national coordinator for intelligence John Negroponte, as well as representatives of the US Congress, Polish Americans and Jewish organisations.

On 12–15 September 2006, Prime Minister Jarosław Kaczyński visited the United States. During his meeting with Vice-President Richard Cheney, he also briefly met President George W. Bush. The Prime Minister also held talks with Speaker of the House of Representative Dennis Hastert, Secretary of State Condoleezza Rice, chairman of the Senate Committee on Foreign Relations Richard Lugar, Secretary of Energy Samuel Bodman, and Commerce Secretary Carlos Gutierrez. The Chairman of the Polish Council of Ministers also met representatives of American corporations: Lockheed Martin Corporation CEO J. Stevens and GE Energy CEO John Krenicki. In Chicago, the Prime Minister had a meeting with representatives of Polish Americans, including the authorities of the Polish American Congress and the Polish National Alliance, Polish American media, as well as attended a church service at the Holy Trinity Church.

Poland–US cooperation in security was the motto of the visit to the United States of Minister of National Defence Radosław Sikorski, held between 17 and 21 May and 1–4 November 2006. Among his interlocutors were Secretary of Defence Donald Rumsfeld and other high officials of the Administration, American Armed Forces and the US Congress (e.g. Senator John McCain, during the May visit).

The platform for developing cooperation between Poland and the US that has already become a permanent fixture was the Strategic Dialogue. Comprehensive consultations under this mode represent an opportunity to discuss key areas of cooperation between both states. The Dialogue contributes to better understanding of objectives and validates the far-reaching convergence of interests as well as shared assessment of the international situation. It is also an apt occasion to present positions on difficult issues. The main item on Dialogue's agenda in 2006 was security issues. At that time, the US were implementing major modifications to their strategies of action for Iraq, and Poland was preparing for the mission in

Afghanistan, still being involved, both politically and militarily, in Iraq. The F-16 purchase programme for the Armed Forces of RP also entered its final stage. Other prioritised topics included energy security and Eastern Europe.

The fifth round of the Dialogue was held in Washington, D.C., on 15 June 2006. It was chaired by Undersecretary of State at the Ministry of Foreign Affairs Witold Waszczykowski, and Assistant Secretary of State Daniel Fried. The meeting was also attended by representatives of the Ministry of Foreign Affairs, Ministry of National Defence and Ministry of the Economy from Poland, and representatives of the Department of State and the Pentagon from the US.

Military Cooperation

The military is one of the most important areas of Poland-US cooperation. It covers joint peacekeeping operations in the Middle East and the Balkans, as well as non-returnable assistance and purchase of modern weaponry to upgrade the Polish Armed Forces. Partner associations are being formed between Polish and American Army units, the Navies cooperate in the area of upgrading vessels and training, while the Air Force jointly works with the service readiness programme for F-16 aircraft.

The main American assistance programme for Poland was still Foreign Military Financing. Between 1995 and 2006, it totalled \$318.5 million (\$165.5 million in 2005 and 2006, including a special payment under the so-called Solidarity Fund). The annual value of this assistance project totalled approx. \$30 million—which was the highest amount among European receivers of American assistance.

These funds were primarily used to co-finance the purchase of C-130 Hercules transport aircraft and training of F-16 pilots, but also to purchase: unmanned aerial vehicles (UAV) for surveillance, Hummer vehicles, radiolocators, equipment and weaponry for special forces.

Similarly to previous years, training projects were funded under the International Education and Training (IMET) programme, whose annual budget for Poland exceed \$2 million.

The programme of delivering F-16 multipurpose aircraft to the Armed Forces of RP entered its final stage. The first machines landed at Poznań-Krzesiny airport in November 2006. In total, Poland purchased 48 aircraft. The deliveries will continue until December 2008.

A subject of expert meetings was a potential establishment in the territory of Poland of components of the American missile defences system. Formal decision of the American authorities on the issue was still pending. The Polish party emphasised its readiness to initiate talks on missile defences, viewed as an opportunity to enhance relations with the US in the area of political and military cooperation (it was not until January 2007 that the United States presented their offer in this respect).

Economic Cooperation

According to the US Census Bureau, Poland ranked 56th among states where US companies exported their goods and services, and 62nd in the ranking of states exporting to the US. This should by no means be construed as success. The figures clearly indicate that there is still substantial, currently idle, development potential to be harnessed for mutual trade exchange. However, the entire spectrum of economic relations between Poland and the US should not be looked at solely from the perspective of these statistics. In reality, the relations are much more vibrant and multi-dimensional.

The primary shaping factors of the economic cooperation are the role of the United States as the largest economic entity of the global economy and Poland's place on the economic map of Europe. In terms of the latter factor, we are witnessing far-reaching changes, initiated by our country's accession to the European Union. This event had a major impact on the accelerated rate of our economic growth. Gradual integration of Poland with the economies of EU Member States in terms of laws and regulations allows better utilisation of the Polish market's assets (e.g. labour costs are still more competitive than those in Europe) and helps to attract foreign capital, including American investors.

Poland participates in developing multi-faceted transatlantic relations in the economic dimension. This includes an intense dialogue on harmonisation of regulations and removing formal barriers to trade and investment. Relations between business circles are developed, new opportunities for having a stake in processes that decide on the shape of the economy, in the transatlantic region and globally, are also being worked out.

Poland is a consistent supporter of deeper transatlantic economic relations. It advocates the implementation of cooperation projects under the European Union and the United States Initiative to Enhance Transatlantic Economic Integration and Growth, which was the topic of discussions at US-EU summits in 2005 and 2006.

Of key importance for Poland is the problem of the US-EU cooperation in the area of energy security. Another important factor that stimulates the development of Poland-US economic relations is deeper political and military cooperation between the states, as well as the implementation of RP Armed Forces upgrade projects.

The development of Poland-US relations in the economic dimensions was also affected by specific limitations of bilateral nature, regarding access to the American market for Polish suppliers. This exerted a negative influence on the potential increase of the export volume of agri-food products. Following the failure to recognise Poland as a country free from some animal diseases, exports of some products were put on hold. Polish authorities made continuous efforts to resolve the issue with American authorities.

Trade exchange. The volume of foreign trade exchange between Poland and the United States has been steadily rising since the beginning of this decade. In 2006, trade exchange (all statistics on trade exchange use the period January–November 2006) totalled \$4.434 billion and rose by over 14% in comparison with the previous year.¹ The value of Polish exports exceeded \$1.930 billion, which represents an increase by 14.5%. The largest share in the exports was taken by: machinery and equipment (30%), base metals and their products (13%), ships, vessels and other non-rail vehicles (12%), as well as furniture, food products and mineral products, mostly fuels, glass and ceramics.

The value of imports from the US totalled over \$2.503 billion, a rise by 14% in comparison with the previous year. The exports primarily included: machinery and equipment (35%), chemical industry products, including drugs (15%), aircraft and their spare parts and other non-rail vehicles (14%), measuring apparatus and tools (11%) as well as base metals and their products.

According to the statistics of the Central Statistical Office, Poland's deficit in trade exchange with the United States came to \$570 million. The US ranked 16th among countries-receivers of Polish exports, and 11th among exporters to Poland.

When assessing the figures for Poland–US foreign trade, we should consider that since Poland's accession to the EU, we have been bound by the same regulations that apply to all other members of the European community. This means that Polish exports to the American market no longer receive preferential customs treatment that they were enjoying in the 90s of the 20th century, and face

¹ Central Statistical Office data, quoted by the Ministry of Economy.

stiff competition. This is accompanied by greater openness of the Polish market to goods and services from the US. Thus, we should appreciate even more the growth in Poland-US trade exchange in another consecutive year of Polish economy's operation within the common European market.

American investment in Poland. American investors are still among top of the list of foreign businesses in Poland. They provide not only capital, but also modern technologies, organisational, marketing, etc. standards. Polish authorities are particularly keen on acquiring the most advanced technologies through American investment. This would allow full utilisation of the potential of Polish scientists and experts employed at national research and development institutions and offer competitive edge to the Polish economy in international relations.

The latest full data on incoming foreign investment, prepared by the National Bank of Poland, are for 2005. The figures show that American companies invested \$773 million in Poland, which accounted for 8% of investment outlays incurred by entities in which foreign capital had a stake. By 2005, the aggregate value of American investment totalled \$6.66 billion, representing 7% of the total foreign investment in Poland. Based on the data provided by the American embassy in Warsaw, the total value of American investment in Poland reached approx. \$15 billion, which incorporates investment by American companies registered in third countries.

Next to unabated interest of investors in such sectors as automotive industry, food processing, real estate and financial services, new trends are emerging, such as the establishment of offshoring centres, as well as research and development centres, built in Poland by, *inter alia*, General Electric, IBM, Pratt&Whitney, Motorola, Delphi, Avon and Hewlett Packard.

Based on the information from the Polish Information and Foreign Investment Agency, American investors in 2006 were building production facilities, or extended the existing ones (Procter&Gamble, American Axle Manufacturing, Becco, Pentair, Colgate-Palmolive, 3M, EEZ, TRW), were expanding in the services sector (Accenture, ACN, Prologis UPS, Polimeni Organisation, Rockwell Automation, Motorola, Electronic Data Systems) as well as were taking actions in the area of research and development (Microsoft, Bunge, General Electric).

Public opinion in Poland took a keen interest in the decision by Dell corporation to establish a computers factory in Łódź. This will be the second European production site of this recognised computer manufacturer, after the

facility in Ireland. The estimated investment project value is up to €200 million, and the new site will employ 3,000 staff. The production launch is planned for October 2007. The coming of this major investor represents an opportunity for the various subcontractors and vendors from the Łódź area.

Another important event was the talks between the Industrial Development Agency and Sikorsky Aircraft Corporation on the latter's purchase of shares in PZL Mielec. The ultimate objective of the American corporation is to manufacture Black Hawk International helicopters at the site in Mielec. This will potentially make PZL Mielec a major entity on the extremely competitive and technologically advanced aerospace market. Sikorsky Corporation's investment is an example of Poland-US cooperation of industries that supply to the military, which may open up new development opportunities for the national economy.

Offset Programme

2006 saw continued implementation of the offset agreement, signed with Lockheed Martin Corporation (LMC) on the purchase of F-16 aircraft for the Armed Forces of RP. By the end of 2006, out of the total pool of offset obligations of \$6.028 billion, projects valued at \$3.9 billion were completed. This keeps the programme of offset obligations 30% ahead of the schedule.

As assessed by the Ministry of the Economy, the implementation by the investor of the so-called indirect (unrelated to production for the military) offset obligations did not evoke any reservations. Important achievements in this area of cooperation include the production of Opel Zafira at the Gliwice site owned by General Motors, and acquisition by LOTOS Group of modern technologies for fuel production from Shell corporation.

Major reservations were raised by Poland regarding the implementation of the so-called direct offset (projects valued at \$1.1 billion) in the military industry, notably military aerospace industry. Projects that have not been implemented are referred to in this context, such as those at PZL Mielec or WZL-2 in Bydgoszcz (upgrade, technical maintenance, repairs and overhauls of aircraft). Poland expected more robust support from the United States as regards the sale to Iraq of M28 SkyTruck aircraft, manufactured at PZL Mielec.

A positive story of a direct offset project is the launch at ZM Mesko in Skarżysko Kamienna of combat agents production, based on technologies provided by the Norwegian company Nammo (2005).

The priorities for Poland remain to be: investment in defence industry, transfer of modern technologies and research and development projects with the

participation of Polish institutions. When assessing the offset programme, we should, however, remember that it is ultimately a business project, with the overriding business objectives. The implementation of the project requires not only the involvement of Lockheed Martin Corporation, but also capabilities of Polish entities to utilise the obtained technologies in an effective manner.

Economic dialogue. Economic cooperation was discussed during the numerous bilateral meetings. During President Lech Kaczyński's February visit to Washington, one of key items on the agenda was energy security. The topic was more extensively covered during the meeting between Secretary of State at the Ministry of the Economy Piotr Naimski and Secretary of Energy Samuel Bodman. The issue was further tackled during the September visit to the US of Prime Minister Jarosław Kaczyński, who discussed it with Secretary Bodman. Finally, a "round table" meeting on the issue was held during the visit to the United States of Minister of the Economy Piotr Woźniak (26 November – 1 December 2006). Next to representatives of authorities from both states, the meeting was also attended by representatives of businesses that declared their intent to cooperate on energy issues. Poland also tried to arouse interest of American businesses operating in Europe and the Caspian Sea region in projects that would serve the purpose of diversification of energy supplies to our country.

Poland–US energy cooperation also covers potential application of modern technologies to process natural resources of our country. One of them is carbon gasification technology, developed by General Electric and used in IGCC (Integrated Gasification Combined Cycle) installations. General Electric offered to build a 900MW power plant in the IGCC technology. The problem still to be solved is operation cost of the power plant which, with the present level of technological development, is up to 40% higher than those of conventional installations. General Electric looks forward to utilising EU structural funds assigned to Poland to complete the project.

Another subject of economic dialogue was bilateral trade exchange and investment. While Poland still sought the rise in trade exchange volumes, the United States strived to support the interest of their companies already present in Poland. The biggest controversy revolved around the change of drug reimbursement regulations, to which some American exporters raised major reservations. The problem was discussed during the talks of Commerce Secretary Carlos Gutierrez, held in Warsaw (23–24 January 2006), and during his meeting with Prime Minister Jarosław Kaczyński in Washington, D.C.

Visa Free Movement

Talks continued in 2006 on incorporation of Poland into the American Visa Waiver Programme. Regular working meetings of the Poland–US Task Group for Consular Affairs were held in order to develop practical ways of introducing the agreed-upon “road map” arrangements.

Polish diplomacy was actively supporting legislative initiatives at the United States Congress, on top of the “road map” implementation, in order to include Poland in the visa waiver programme. These initiatives brought partial success. On 17 May, the Senate adopted an amendment to the immigration law, which opened up opportunities for Poland to be incorporated in the programme. The amendment was proposed by Senator Rick Santorum (Republican, Pennsylvania) and Senator Barbara Mikulski (Democrat, Maryland).

Since the immigration law adopted previously by the House of Representatives differed in terms of contents from the Senate Version, the law required both houses to agree on the same version of the document. Owing to deep-seated differences in opinions on the immigration policy and the controversies surrounding the problem in the context of the US Congress election campaign, the compromise that would allow entry into force of Santorum-Mikulski amendment was not reached.

This amendment was the first legislative initiative that received support from one of the houses of the American Congress. Previously, resolutions of state legislatures were adopted, or amendments submitted to the Congress that failed to gather sufficient support. Owing to the Santorum-Mikulski initiative, the question of admitting Poland and other Central and Eastern Europe states to the visa programme captured the attention of both the Congress and the administration. It also was a stimulus for other countries in our region to consolidate efforts to extend the programme, and for greater coordination among states interested in such extension.

The coverage of all European Union Member States by the US visa waiver programme (out of the countries acceding in 2004, only Slovenia was incorporated in the programme, and only Greece remained outside of it among the “old” members) was one of the items on the agenda of the US-EU consultations under Policy Dialogue on Transport and Border Security. Thus far, the talks have failed to bring significant breakthrough on the issue.

The factor that gave impetus to the debate on the visa programme was the announcement of far-reaching changes in the present system, delivered by President George W. Bush during his visit to Tallinn (28 November). The main

purpose of the reform is to tighten security and border protection-related criteria, and introduce a more lenient approach to economic and social criteria, where the present visa application denial threshold is at 3%. Some modifications to the visa programme are of administrative nature and do not need the Congress' involvement. The most important, however, require legislative change. This issue was tackled during the 110th Congress, following its inauguration in January 2007.

Cooperation in Science and Education

On 10 February 2006, in the presence of President Lech Kaczyński, a new intergovernmental agreement on cooperation in science and technology was signed in Washington, D.C (effective from 22 November). The framework agreement will be executed based on executive regulations signed directly between the concerned governmental agencies of both states. The agreement sets forth general terms of cooperation and detailed terms of intellectual property protection. Executive regulations are to specify in detail, *inter alia*, the scope of cooperation, and to regulate organisational and financial aspects.

An Interdisciplinary Team for Poland-US Cooperation was established at the Ministry of Education and Higher Learning in order to support the implementation of the above agreement. The team will work on the programme of intensified scientific cooperation with the United States. Research on advanced technologies (e.g. biotechnology, nanomaterials) is planned to be among priorities of the programme.

2006 saw continued work on the new agreement on Poland-US Fulbright Commission. The new intergovernmental agreement is to establish the legal framework for the development of this oldest scholarship programme in relations between the countries, notably for the rise in the number of researchers enrolled in the Fulbright Commission's programmes.

Polish diplomacy also sought development of cooperation in education. It supported the establishment of Poland-US Parliamentary Youth Exchange Programme, initiated by Senator Richard Lugar, Republican of Indiana. The programme, providing for temporary study visits to the US, or Poland, for the youth, is targeted at high school attendees. However, the related legislative process was not finished before the end of the Congress term. The initiative was re-launched in early 2007. Another interesting undertaking is the US cooperation on pure sciences programme for selected countries, known as the Global Partnership for 21st Century.

Relations with Polish American and Jewish Communities

In 2006, relations with Polish American community developed further. Cooperation flourished with Polish American organisations, including the leadership of the Polish American Congress. One of major forms of cooperation was the support to the Polish American communities in their efforts to incorporate Poland in the visa waiver programme. As a result, state legislatures of Massachusetts, New Jersey, Vermont, Pennsylvania, Connecticut, Maine, Nebraska, Ohio, New York and Michigan adopted resolutions expressing their support for the Polish proposals. As usual, Polish American activists protested (letters to the editor, phone calls) against anti-Polish statements, surfacing every now and then in American media.

Dialogue with Jewish communities was also actively developed. Organisations of Jews in the US showed interest in Poland-Israel relations, expressing their satisfaction with the balanced and constructive policy of Poland on the Middle East issues. Another item on the agenda of the meetings was the remembrance of the Holocaust and joint historical heritage. Poland made efforts to increase volumes of youth exchange and develop joint education programmes in order to get to know each other better, and to understand the history of both nations better.

Jewish organisations raised an unsolved problem of restitution of private property of Jews. After a thug's attack in Warsaw on Rabbi Michael Schudrich, opinions on anti-Semitic sentiments in Poland were voiced. However, a resolute and unprecedented action by the Polish government met with positive reception of leaders of the Jewish community.

The publication of another book by Jan Gross² provided a stimulus for the discussion in some media on anti-Semitism in Poland. Sadly enough, some responses clearly displayed the big challenge that dissemination of competent knowledge on the complex history of relations between Poles and Jews, and lasting nature of stereotypes and simplifications, definitely is. This was also reflected in some respects in the assessment of the present political situation in Poland.

² J. Gross, *Fear. Anti-semitism in Poland after Auschwitz*, Princeton University Press, 2006.

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2006 brought further reinforcement of Poland-US cooperation in all major areas. It is still one of the key tasks of Polish foreign policy in the period to come. The dynamics of relations between the countries is determined by discussions on the deployment of components of American missile defences system. Another important issue is the participation of the Armed Forces of RP in NATO operation in Afghanistan. The Iraqi problem also represents an important platform for bilateral cooperation, however its role will depend on the evolution of the American policy on the issue and the future of Poland's involvement in the operation.

The outcome of Poland-US cooperation will remain a subject of heated public debate in our country. We can only hope that a positive stimulus for the debate will be, *inter alia*, changes in the visa programme, if they lead to incorporation of Poland, and more intense relations between societies of the two countries.