

**AMBASSADOR TRAVELS TO ALASKA ON
“EXPERIENCE AMERICA” TRIP**



*Photo of Latvians in Alaska provided by Erik Hill,
Anchorage Daily News*

**LATVIA'S PRIME MINISTER TO PRESENT BOOK ON
HOW LATVIA OVERCAME THE FINANCIAL CRISIS**



From June 21-25, Ambassador Andrejs Pildegovičs visited Alaska under the auspices of the US State Department's "Experience America" program. During the visit 40 foreign ambassadors including those from Nordic-Baltic countries, Russia, Japan and the EU Delegation met with Alaska Governor Sean Parnell, as well as participated in a number of panel discussions on regional cooperation in the High North, energy, climate change, trade, fisheries, transportation and tourism industries.

The diplomats also had the opportunity to visit the rural hunting and fishing communities in Barrow, Alaska, one of the world's northernmost settlements. The visitors met with representatives of the Alaska Federation of Natives.

On the evening of the Latvian Midsummer Holiday (Līgo), the Ambassador had the opportunity to meet with a dozen Latvians who live in Alaska.

In an [interview](#) aired June 24 on Anchorage's KTVA TV (CBS, Channel 11), Amb. Pildegovičs discusses his impressions of Alaska. Click [here](#) to view the interview.

On July 14 at 12:00 noon at the Peterson Institute for International Economics in Washington D.C., Latvia's **Prime Minister Valdis Dombrovskis** and internationally-respected economist Dr. Anders Åslund will present their book "How Latvia came through the financial crisis". The book is available for purchase online through the [Peterson Institute](#).

9 lessons learned after the financial crisis in Latvia:

1. Devaluation is neither a panacea nor a necessity that many economists make it out to be. Numerous international economists argued that devaluation was not only necessary but also inevitable. By the end of 2009, however, it became clear that they were wrong.

2. Second, the Latvian people were motivated by their desire for full European integration with early adoption of the euro, which led them to focus on two nominal anchors: a fixed exchange rate and a budget deficit below 3 percent of GDP, so that Latvia could accede to the Economic and Monetary Union as early as possible.

3. Third, Latvia's experience with fiscal adjustment shows the advantages of carrying out as much of the adjustment as possible early on. Hardship is best concentrated to a short period, when people are ready for sacrifice.

4. Fourth, more than three-quarters of the fiscal adjustment came from cuts in public expenditures, suggesting that they are economically and

politically better than tax hikes. The most popular budget adjustments were cuts of salaries and benefits of senior civil servants and state enterprise managers as well as the reduction in public service positions.

5. Fifth, the large and frontloaded international rescue effort was appropriate and has been successful.

6. Sixth, Latvia, as well as its Baltic neighbors, showed that these vibrant democracies were perfectly capable of reducing their public expenditures by about one-tenth of GDP in one year.

7. Seventh, the benefits of stable government have been greatly exaggerated. Latvia benefited from being able to switch government quickly during the crisis. Thus, parliamentary systems with many parties, leading to coalition governments and frequent government changes, may be beneficial for the resolution of macroeconomic crises.

8. Eighth, the bottom line is that populism is not very popular in a serious crisis when the population understands the severity of the crisis and wants a sensible and resolute government that can handle the crisis as forcefully as is necessary. The big losers in the 2010 elections were oligarchs who tried to exploit populism.

9. Finally, the international macroeconomic discussion was not useful but even harmful. Whenever a crisis erupts anywhere in the world, a choir of famous international economists proclaim that it is “exactly” like some other recent crisis—the worse the crisis, the more popular the parallel. Soon, prominent economists led by New York Times columnist Paul Krugman claimed that “Latvia is the new Argentina.” A fundamental problem is their reliance on a brief list of “stylized facts,” never bothering to find out the facts.

LATVIA RETURNS TO INTERNATIONAL BOND MARKETS

On June 9 [Reuters](#) reported that Latvia, along with Iceland, returned to international bond markets for the first time since they plunged into crisis during the global liquidity crunch, a sign two small countries are progressing toward recovery.

In Latvia's case, the Baltic state sold \$500 million worth of 10-year debt at a discounted price of 98.1640, bringing a yield of 5.491 percent and a coupon of 5.25 percent. This was Latvia's first international issue since early 2008. Returning to international capital markets is a key milestone in the two countries' recovery from crisis and shows a return of investor confidence.

Latvia's credit rating is investment grade from Moody's at Baa3 and BBB-minus from Fitch, while Standard & Poor's has it one notch lower at BB-plus. Latvia's currency is pegged to the euro and the country wants eventually to adopt the euro, with a target of 2014.

WREATH LAYING AT VICTIMS OF COMMUNISM MEMORIAL



DCM Juris Poikans at Victims of Communism Memorial

On June 9 Deputy Chief of Mission Juris Poikans placed a wreath at the Victims of Communism Memorial in Washington, commemorating the fourth anniversary of the dedication of the Memorial to the Victims of Communism. The event included remarks by Thomas Marsh, sculptor of the Memorial; Hon. Aldona Wos, former U.S. Ambassador to Estonia; and Annette Lantos, Chairman of the Lantos Foundation.

**LATVIAN REPRESENTATIVE GRADUATES
FROM NATIONAL DEFENSE UNIVERSITY**



Col. Juris Bezzubovs and Mrs. Bezzubova, BG Andis Dilans, Amb. Andrejs Pildegovics

On June 9 Ambassador Pildegovics and Col. Juris Bezzubovs, Military Attache, attended the National Defense University graduation of BG Andis Dilans, Chief of the Joint Staff of Latvian Armed Forces.

**APPOINTMENT OF NEW HONORARY CONSUL
IN MASSACHUSETTS**



Latvia's Honorary Consul in Massachusetts Talis Seja

The Embassy announces the opening of a new honorary consul post: **Mr. Talis Seja** has been confirmed as Latvia's honorary consul in Massachusetts. Contact information: 512 Chestnut Street, Needham, MA 02492. Tel: (781) 444-2939, e-mail: talis.seja@gmail.com

The June 24-30 issue of the [Boston Business Journal \(Legal Briefs\)](#) mentioned his appointment:

Talis Seja, an associate in the corporate trust team at Boston-based Nixon Peabody LLP, most likely has one of the most unique volunteer positions in Boston. Seja was recently appointed to the post of honorary consul of Latvia, a volunteer position for which Talis, 37, applied.

The Needham, Massachusetts resident, whose parents emigrated from Latvia, was officially appointed by the Foreign Ministry of Latvia.

In his new post, Seja will help foster connections between Latvian officials and Boston-area companies and organizations. Latvia is currently recovering from its own financial crisis of 2008 and is looking to boost foreign investment and trade.

In addition to fostering those connections, Seja will also help with other types of events, including setting up voting stations for Latvian citizens based in Boston, when important issues arise. Currently, Seja is helping to organize a voting station for citizens to vote on whether to recall the Latvian parliament.

"The Latvian government felt that it was important to have some type of representation here and they chose me," said Seja. "I'm really excited and honored that they did."

Seja has strong ties to Latvia. In his 20s, he lived and worked in the country for two years, and his parents emigrated from Latvia during World War II. He speaks Latvian fluently.

“RACE FOR THE CURE”



Embassy of Latvia photo

On June 4 Ambassador Andrejs Pildegovics together with his Embassy of Latvia colleagues represented Latvia in the annual Susan G. Komen “Race for the Cure” for breast cancer awareness in downtown Washington, DC.

LATVIAN DĀVIS BERTĀNS DRAFTED BY NBA



The San Antonio Spurs have selected Latvian forward **Davis Bertans** with the 42nd pick. Bertans, 18, has been described as one of the best shooters in Europe and likely one of the best shooters in this draft.

FIBA WORLD BASKETBALL CHAMPIONSHIPS NOW UNDERWAY IN LATVIA

The 2011 [FIBA U-19 World Basketball Championships](#) are taking place in Latvia from June 30-July 10. The United States is also participating.

IN MEMORIAM...

Ambassador conveys condolences regarding passing of U.S. diplomat in Riga



Photo courtesy of U.S.Embassy-Riga website

On June 28 Ambassador Andrejs Pildegovics sent a letter of condolence to Deputy Assistant Secretary of State Pamela Quanrud and to U.S. Ambassador to Latvia Judith Garber on the passing of **Bruce Rogers**, Deputy Chief of Mission at the U.S. Embassy in Riga. From 2000-2003, he was Political-Economic Chief at the U.S. Embassy in Latvia. Since 2008 (his second assignment to Latvia) he served as the DCM in Riga. The Prime Minister and Foreign Minister of Latvia have also expressed their condolences.

Ambassador Pildegovics expressed: *“There are very few diplomats who have served twice in Latvia, and Bruce was one of them. It was his deliberate choice, strengthened by strong motivation, willingness, and simply personal attachment to my country. He was together with us during all the crucial moments of the modern Latvian history, being himself an instrumental in facilitating Latvia’s membership in the North Atlantic Treaty Organization, Latvia’s accession to the Visa-waiver program and strengthening mutual ties between our two nations. Bruce Rogers will always be remembered among so many Latvians, be it in Government or non-governmental organizations or any other institutions, as a man of high integrity and professionalism, a great patriot of the United States of America, and a true friend of Latvia.”*

**ARTIST FROM LATVIA PARTICIPATES IN
CHILDREN'S ART FESTIVAL ON THE NATIONAL
MALL IN WASHINGTON**



Embassy of Latvia photo

On June 17 Ambassador Pildegovics met with 12-year old artist Amanda Barisa from Latvia at the Embassy. Amanda was one of the winners of the International Child Art Foundation's art competition. She participated in the World Festival celebration held in mid-June on the National Mall in Washington, D.C. Amanda was accompanied to the U.S. by Maija Pilaga, director of the Ledurga art school in Vidzeme, which Amanda attends.

**REFERENDUM ON DISSOLUTION OF THE
SAEIMA TO BE HELD JULY 23**

On May 28 in an [address](#) to the nation, President of Latvia Valdis Zatlers proposed a referendum to dissolve the Saeima; therefore, on July 23 a national referendum on the dissolution of the 10th Saeima will be held in Latvia, as well as in polling stations abroad. The question will be - "Do you support the dissolution of the 10th Saeima?" If more than one half of the votes are cast in favor of dissolution, the Saeima will be dissolved and new parliamentary elections will take place.

In the U.S. on **Saturday, July 23**, 13 [polling stations](#) will be open from 7:00a.m.-10:00p.m. (local time) at the Embassy of Latvia in Washington, D.C., Latvia's Mission to the UN in New York, as well as in Boston, Chicago, Cleveland, Los Angeles, Milwaukee, Minneapolis, Philadelphia, St. Petersburg (FL), San Francisco, Seattle, and the Latvian Center "Garezers" in Michigan. A valid Latvian passport is required to participate. The deadline for voting by mail is July 1. Complete information (in Latvian) on the Embassy of Latvia [website](#).

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