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Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13676
Folder ID Number: 13676-010

Folder Title:
Toast at Hungarian Parliament 7/11/89 [OA 6266]

Stack:	Row:	Section:	Shelf:	Position:
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June 21, 1989

MEMORANDUM TO: Miss. Stephanie Blessey, Research
FROM: Sandor J. Horvath, Deputy Chief / Hungarian Service/ VOA
SUBJECT: Famous Hungarian- Americans

Our recommendation concerning the usage of the Petofi poem, titled „ Rise Hungarian ” is negative, because it has an igniting, revolutionary impact.

Scientists:

1. John von Neumann (Neumann Janos) - inventor of computers, and he was a participant of the „ Manhattan Project”.
2. Theodore von Karman (Karmán Tódor) - inventor of jet plane engine.
3. Leo Szilard (Szilárd Leó) - nuclear scientist , „Manhattan Project”.
4. Eugene Wigner (Wigner Jenő) - nuclear scientist - „Manhattan Project”.
5. Edward Teller - nuclear scientist , H bomb, „Manhattan Project”, SDI.
6. Albert Szentgyorgyi - Nobel Prize Winner (Vitamin C).

Conductors:

1. Eugene Ormandy (Ormandy Jenő)
2. George Szell (Szell György)

4. Antal Dorati (Dorati Antal)
5. Fritz Reiner (Reiner Fritz)
6. Zoltan Rozsnyay (Rozsnyay Zoltan)

Singers-Metropolitan Opera:

1. Lajos Konya (Konya Lajos)
2. Lorinc Alvary (Alvary Lorinc)
3. Gabor Carelli (Carelli Gabor)

Composers:

1. Miklos Rozsa (Rozsa Miklos) - Oscar winner (film) composer (Ben Hur....)
2. Miklos Brodsky (Brodsky Miklos) Oscar winner film composer
3. Sygmund Romberg (Romberg Zsigmond) - operette and musical composer

Film Industry:

1. Adolf Cukor (Cukor Adolf) - founder and chairman of Paramount Films
2. Michael Curtis (Kertesz Mihaly) - Oscar winner film director „Casablanca” etc.
3. Paul Lukacs (Lukacs Paul) - Oscar winner actor
4. Bela Lugosi (Lugosi Bela) - Frankenstein
5. S. Z. Sakall (Szoke Szakal) - Hundreds of Hollywood films.
6. Tony Curtis - actor
7. Joe Pasternak (Paszternak Jozsef) - film producer
8. Ernie Kovach
9. Vilma Banky (Binky Vilma) Star of the American Silent Movies

US Personalities:

1. Colonel Kovach (Kovács ezredes) - founder of the American Cavalry during the US Civil War.
2. Tom Lantos (Lantos Tamás) - US Congressman (CA Democrat)
3. Joseph Pulitzer (Pulitzer József) - publisher (See Pulitzer Prize)
4. Andre Kertesz (Kertész András) - World famous photographer.
5. Robert Capa - Died in the Korean War as a war correspondent.

Sports:

1. Joe Namath - football star
2. Larry Csonka - football star
3. Karch Kiraly - current captain of the Olympic and World Champion US Man's Volley Ball Team.
4. Andy Toro (Törő András) - former secretary of United States Olympic Committee
5. Csaba Elthes (Elthes Csaba) - Coach of the US Olympic Saber Fencing Team since 1960.
6. Bob Gansler - Coach of the US National Soccer Team
7. Peter Vermes - Member of the US National Soccer Team

TRANSFER SHEET
BUSH PRESIDENTIAL MATERIALS PROJECT

COLLECTION Bush Presidential Records--
Office of Speechwriting--
Speech File - Backup

ACC.NO: 93-01

The following material was withdrawn from this segment of the collection and transferred to the X AUDIOVISUAL COLLECTION
 BOOK COLLECTION MUSEUM COLLECTION
OTHER (SPECIFY: _____)

DESCRIPTION: one color photo--official White House photograph--
toast at Hungarian Parliament

SERIES Office of Speechwriting Speech File - Backup	BOX NO. 22
FILE FOLDER TITLE: Toast at Hungarian Parliament 7/11/89 [OA 6266]	
TRANSFERRED BY: JGP	DATE OF TRANSFER: 6/20/96
RECEIVED BY: <i>Mary Finch</i>	DATE RECEIVED 6/20/96



Transition from dictatorship to democracy
Ruhik -

(85) - Frigate Miss.
Takes tape parade
Hungary Do Not Foot

What Hung. wd be - if it liberates
itself -

TOAST - no trans, 5-7 min.
focus on econ -

1995 World Forum
Vimmo &
Budapest

Conat - James Madison
Minister of Justice

Karl Marx - ~2000 people
students, ents, opp

Hung Dem Forum had founding
Congress - ~~for~~

KM - Frank talk re: modern world

what free ent old do
Comm party shld get out of factories

3 countries at diff stages -

math & science scores -

sense of confidence & optimism

~~CONFIDENTIAL~~
AMEMBASSY PARIS

INCOMING

PAGE 01

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ACTION MNE-01

INFO	AMB-01	DCM-01	POL-01	ESA-04	READ-01	CPU-01	GEP-01	
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VZCZCPA0584DKA984 BM

01-JUN-89

TOR: 15:53

OO RUFHFR

CN: 03555

DE RUDKDA #5597 1521539

CHRG: PROG

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DIST: VIP

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ADD:

FM AMEMBASSY BUDAPEST

TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1704

INFO RUEHC/SECSTATE WASHDC 5928

RUEHIA/USIA WASHDC 8162

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~~CONFIDENTIAL~~ BUDAPEST 05597

PARIS PLEASE PASS TO WHITE HOUSE: SPEECHWRITER PEGGY DOOLEY

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MESSAGE IS EXDIS.

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DECLASSIFIED
Department of State Guidelines
E.O. 12958, SEC 3.4 (B), July 21, 1997
By lt NARA, Date 06/02/23

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AMEMBASSY PARIS

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BUDAPEST 005597 XMA732

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PRS-01 AGR-01 STC-01 EXT-01 FCS-01 BFO-01 INT-01 SEC0-01
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APER-01 POLD-01 TVU-03 ADM-03 GSO-01 PER-01 CPO-01
CCO-01 USS-01 ISS-01 PCHD-01 /049

WE IN THE UNITED STATES HAVE WELCOMED THESE FIRST EFFORTS TOWARD THE LIFTING OF THE POLITICAL AND ECONOMIC RESTRAINTS ON THE PEOPLE OF HUNGARY. WE HAVE REJOICED TO SEE THE WAVE OF DEMOCRACY, NOW SURGING AROUND THE WORLD, BEGIN TO SWEEP OVER THIS COUNTRY, TOO.

IT IS MY AIM, AND THAT OF THE AMERICAN PEOPLE, TO HELP THE PEOPLE OF HUNGARY WORK TOWARD THE TIME WHEN YOU ARE FREE TO TAKE AN ACTIVE PART IN THE PEACEFUL DEVELOPMENT OF YOUR COUNTRY, WHEN YOU CAN ACHIEVE A FULL DEMOCRACY AND THE PROSPERITY THAT HISTORY HAS SHOWN ONLY A MARKET-ORIENTED ECONOMY CAN PRODUCE. AS I HAVE SAID BEFORE, WE WANT FREEDOM TO SUCCEED, AND I SAY NOW WE WANT IT TO SUCCEED HERE.

HUNGARY TODAY STANDS ON THE VERGE OF A NEW ERA. OPPORTUNITIES ARE HERE FOR DEMOCRACY, AND FOR AN EFFECTIVE ECONOMY THAT CAN PROVIDE A BETTER STANDARD OF LIVING FOR ALL HUNGARIANS. THE PATH TO A RETURN TO DEMOCRACY HAS BEEN TREAD BEFORE BY OTHER NATIONS. BUT IT IS NOT AN EASY PATH. IT TAKES POLITICAL AND MORAL COURAGE TO GO FORWARD, TO AVOID THE TRAP OF COVERING STAGNATION WITH POLITICAL RHETORIC, TO TAKE THE DIFFICULT STEPS THAT ARE NECESSARY TO TURN THIS COUNTRY AROUND.

WE BELIEVE THIS NATION HAS THAT COURAGE. WE BELIEVE IN THE FUTURE OF HUNGARY. AND WE WILL SHOW OUR CONFIDENCE IN THIS COUNTRY THROUGH CONCRETE STEPS TO ENCOURAGE THE PROCESS OF REFORM. WE WILL BACK THE PROCESS, ALREADY BEGUN, OF GETTING THE GOVERNMENT BUREAUCRACY OUT OF THE BUSINESS OF RUNNING THE HUNGARIAN ECONOMY, AND OF RETURNING HUNGARIAN BUSINESS, INDUSTRY, AND AGRICULTURE TO PRIVATE HANDS. WE WILL DO THIS THROUGH PROMOTION OF SENSIBLE INVESTMENT IN WELL-RUN ENTERPRISES. WE WILL HELP YOU TO TRAIN THE BUSINESS MANAGERS AND FINANCIAL EXPERTS THE COUNTRY NEEDS. WE WILL ENCOURAGE MORE TWO-WAY TRADE. MY ADMINISTRATION HAS MAPPED OUT A SERIES OF MEASURES TO MOVE FORWARD IN ALL OF THESE AREAS. I AM HERE ON BEHALF OF THE PEOPLE OF AMERICA TODAY TO OFFER YOU A HELPING HAND.

ONE HUNDRED YEARS AGO, HUNGARY WAS IN THE MIDST OF ITS GOLDEN ERA, WITH UNPRECEDENTED PROSPERITY AND DEVELOPMENT. AT THAT TIME HUNGARY WAS A WELL-RESPECTED AND ACTIVE MEMBER OF THE EUROPEAN COMMUNITY OF NATIONS,
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OO RUFHFR CN: 03539
DE RUDKDA #5597 1521525 CHR: PROG
ZNY CCCCC ZZH DIST: VIP
O 011523Z JUN 89 ADD:
FM AMEMBASSY BUDAPEST
TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1700
INFO RUEHC/SECSTATE WASHDC 5924
RUEHIA/USIA WASHDC 8158
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~~CONFIDENTIAL~~ BUDAPEST 005597

PARIS PLEASE PASS TO WHITE HOUSE: SPEECHWRITER PEGGY DOOLEY

SECSTATE FOR EUR/EEY FOR SWIHART

DEPT PLEASE PASS TO WHITE HOUSE
USIA FOR EU:JORIA

E.O. 12356: DECL: OAD
TAGS: OVIP, HU
SUBJECT: DRAFT TEXTS OF PRESIDENT BUSH'S SPEECH

FOL MSG SENT ACTOIN SECSTATE 25 MAY RPT FYA QUOTE

~~CONFIDENTIAL~~ SECTION 01 OF 06 BUDAPEST 005597
REFS (A) DOOLEY/MCCARTHY TELCON OF 5/31;
EXDIS

DEPT PASS TO WHITE HOUSE FOR STUDDERT AND KELLER
NSC FOR BLACKWILL
EUR/EEY FOR SWIHART

E.O. 12356: DECL: OADR
TAGS: OVIP, HU
SUBJECT: SUGGESTED TEXT OF PRESIDENT BUSH'S SPEECH

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.
2. THE FOLLOWING ARE THE EMBASSY'S SUGGESTED REMARKS FOR THE PRESIDENT'S ADDRESS TO BE MADE AT KARL MARX UNIVERSITY DURING HIS VISIT TO HUNGARY.
3. BEGIN SPEECH. QUOTE.

LADIES AND GENTLEMEN, DOCTOR CSAKI:
I THANK YOU FOR YOUR KIND INVITATION TO SPEAK HERE AND THIS WARM WELCOME. MAY I ADD THAT THOUGH AT FIRST GLANCE IT MAY SEEM SURPRISING TO SEE AN AMERICAN PRESIDENT SPEAKING AT A UNIVERSITY CALLED KARL MARX, AT THIS TIME IN THE DEVELOPMENT OF EAST-WEST RELATIONS I CANNOT BUT THINK IT IS A VERY APPROPRIATE PLACE AFTER ALL.
THIS COUNTRY HAS CHANGED AMAZINGLY SINCE MY VISIT IN 1983; THERE HAVE BEEN MAJOR CHANGES IN THE POLITICAL CLIMATE; THERE IS NOW STARTLINGLY OPEN POLITICAL DEBATE IN THE PRESS; THE SOVIET UNION HAS -- IN WHAT WE HOPE IS JUST A FIRST STEP -- WITHDRAWN SOME OF ITS TROOPS FROM HUNGARIAN SOIL; THE FIRST MEASURES TOWARD AN EFFICIENT, MARKET-ORIENTED ECONOMY HAVE BEEN TAKEN; THE BORDERS TO THE WEST HAVE BEEN OPENED TO ALL ORDINARY CITIZENS WHO WANT TO VISIT ABROAD; AND THE UGLY BARBED WIRE OF THE IRON CURTAIN IS BEING TORN DOWN.

DECLASSIFIED
Department of State Guidelines
E.O. 12958, SEC 3.4 (B), July 21, 1997
By 4 NARA, Date 06/02/23

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AMEMBASSY PARIS

INCOMING

PAGE 01 BUDAPEST 005597 XMA734
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BUDAPEST 005597 XMA734

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DEMOCRACY AFTER A PERIOD OF REPRESSION IS OFTEN NOT STRAIGHTFORWARD OR EASY, BUT THE PROCESS OF STRIVING FOR A TRULY DEMOCRATIC SYSTEM MUST GO FORWARD.
WE HAVE BEEN IMPRESSED BY THE PUBLIC DEBATES IN THE MEDIA HERE ON THESE SUBJECTS. WE APPRECIATE THE DRAMATICALLY INCREASED SCOPE FOR PRESS FREEDOMS NOW ENJOYED IN HUNGARY, RECENTLY DEMONSTRATED BY THE START OF THE COUNTRY'S FIRST INDEPENDENT DAILY NEWSPAPER. THE DEGREE TO WHICH HUNGARY HAS OPENED UP TO THE WEST IN THIS REGARD IS SHOWN BY A VERY RECENT AND WELCOME DEVELOPMENT -- I AM PLEASED TO NOTE TODAY THAT THE HUNGARIAN GOVERNMENT HAS AGREED TO ALLOW AN OFFICE OF RADIO FREE EUROPE TO OPEN HERE IN BUDAPEST AND THAT IT IS ALREADY FUNCTIONING. I AM ALSO ENCOURAGED THAT PERMISSION HAS BEEN GIVEN FOR THE OPENING HERE OF A PRIVATE COMMERCIAL AMERICAN RADIO STATION. WE ARE ALSO PLEASED THAT WHITE COLLAR INDEPENDENT UNIONS NOW FUNCTION HERE; WE HOPE THAT SOON SUBSTANTIAL INDEPENDENT BLUE COLLAR UNIONS WILL REPRESENT HUNGARIAN WORKERS. LIKE MOST HUNGARIANS, WE ARE ENTHUSIASTIC OVER THE PROSPECT OF THE COUNTRY'S FIRST FREE MULTIPARTY ELECTIONS SINCE 1945, AND BY THE PROSPECT OF THE COUNTRY'S TRANSITION TO A GENUINE MULTIPARTY SYSTEM. HUNGARIAN-AMERICANS PARTICULARLY SHARE OUR GRATIFICATION THAT THE PROCESS OF NATIONAL RECONCILIATION AND HEALING FOLLOWING 1956, WHICH SEEMED INCOMPLETE AND STALEMATED A FEW YEARS AGO, HAS TAKEN MAJOR STEPS FORWARD WITH THE PEACEFUL REBURIAL AND REHABILITATION OF IMRE NAGY.
IN THE FOREIGN POLICY AREA, WE ARE ALSO GRATIFIED BY HUNGARY'S STEPS TOWARD FULL PARTICIPATION IN THE INTERNATIONAL COMMUNITY AS A SOVEREIGN STATE: ITS ESTABLISHMENT OF RELATIONS WITH SOUTH KOREA, ACCESSION TO THE UNITED NATIONS REFUGEE CONVENTION, AND ITS PARTICIPATION IN UN PEACEKEEPING ACTIVITIES. WE HOPE YOU WILL HAVE FULL DIPLOMATIC RELATIONS WITH ISRAEL BEFORE LONG. IN ITS TROUBLED RELATIONSHIP WITH ROMANIA, HUNGARY HAS OUR SYMPATHY AND SUPPORT BECAUSE WE SHARE HUNGARY'S HUMAN RIGHTS CONCERNS AND SUPPORT THE INTEGRITY OF THE HELSINKI PROCESS WHICH THE ROMANIAN GOVERNMENT HAS SOUGHT TO UNDERMINE. THESE CHANGES ARE IMPORTANT. WE RECOGNIZE THEY ARE INCOMPLETE, AND REPRESENT A BRIEF PERIOD IN A LONG PROCESS. WE SUPPORT THE PROCESS AND IN DOING SO, WE BELIEVE THE MAIN ISSUE IS NOT WHETHER THE PROCESS IS GOING TOO SLOW OR TOO FAST, BUT THAT IT CONTINUE. WE DO NOT WANT INSTABILITY. AT THE

VZCZCPA0571DKA976 BM 01-JUN-89 TOR: 15:45
OO RUFHFR CN: 03542
DE RUDKDA #5597 1521529 CHR: PROG
ZNY CCCCC ZZH DIST: VIP
O 011528Z JUN 89 ADD:
FM AMEMBASSY BUDAPEST
TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1701
INFO RUEHC/SECSTATE WASHDC 5925
RUEHIA/USIA WASHDC 8159
BT

~~CONFIDENTIAL~~ BUDAPEST 05597

PARIS PLEASE PASS TO WHITE HOUSE: SPEECHWRITER PEGGY DOOLEY

SECSTATE FOR EUR/EEY FOR SWIHART

DEPT PLEASE PASS TO WHITE HOUSE

E.O. 12356; DECL: OADR
TAGS: OVIP, HU
SUBJECT: DRAFT TEXTS OF PRESIDENT BUSH'S SPEECH

FOL MSG RPTED FYA
~~CONFIDENTIAL~~ SECTION 02 OF 06 BUDAPEST 05597

EXDIS
DEPT PASS TO WHITE HOUSE FOR STUDDERT AND KELLER
NSC FOR BLACKWILL
EUR/EEY FOR SWIHART

E.O. 12356; DECL: OADR
TAGS: OVIP, HU
SUBJECT: SUGGESTED TEXT OF PRESIDENT BUSH'S SPEECH

EXPORTING ALL OVER EUROPE ITS INDUSTRIAL AND AGRICULTURAL PRODUCTS, ITS IDEAS, ITS ART AND CULTURE. IT WAS A COUNTRY KNOWN NOT ONLY FOR THE BEAUTY OF ITS CAPITAL, BUT ALSO FOR ITS RELIGIOUS TOLERANCE, AS A PLACE WHERE PEOPLE OF DIFFERENT COMMUNITIES LIVED AND WORKED TOGETHER IN PEACE. WESTERN VALUES OF DEMOCRACY AND FREE ENTERPRISE WERE RESPECTED, AND HELPED TO BUILD THE NEW HUNGARY.
UNFORTUNATELY, THE ERA OF PROSPERITY AND PEACEFUL DEVELOPMENT WAS SHORT-LIVED. THE TWENTIETH CENTURY HAS SEEN A SUCCESSION OF EXTRAORDINARILY DIFFICULT TIMES FOR THIS NATION: THE DESTRUCTION AND LOSS OF TWO WORLD WARS, THE ECONOMIC DEPRESSION OF THE 1930S, THE PERSECUTION AND NEAR-ANNIHILATION OF TWO MAJOR COMMUNITIES--THE JEWS AND THE GYPSIES, AND THE IMPOSITION OF AN ALIEN AND REPRESSIVE GOVERNMENT, WITH TRAGIC CONSEQUENCES IN 1956.
AS WE NEAR THE END OF THIS CENTURY, HOWEVER, AND PREPARE TO ENTER A NEW ONE, WE CAN SEE AT LAST THE BEGINNING OF A NEW ERA OF OPPORTUNITIES FOR PEACE, FOR PROSPERITY, AND FOR FREEDOM OF THE PEOPLE OF HUNGARY.
WE IN THE UNITED STATES, WITH MORE THAN TWO HUNDRED YEARS OF EXPERIENCE WITH A WORKING CONSTITUTION, HAVE COME TO APPRECIATE THAT A DEMOCRATIC SYSTEM IS FULL OF CONFLICTS AND OFTEN MESSY. THE RETURN TO

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INCOMING

AMEMBASSY PARIS

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BUDAPEST 005597 XMA735

ACTION ~~MNE-01~~
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FORCES AND THEREBY GAINING CONFIDENCE THAT NEITHER NATION'S FORCES POSE UNKNOWN THREATS TO THE OTHER. AMERICAN MILITARY PERSONNEL HAVE IN THE LAST YEAR OBSERVED MILITARY EXERCISES HERE, AND NOTED THE FULL COOPERATION AND OPENNESS OF THE HUNGARIAN COMMANDERS. OTHER CONTACTS ARE TAKING PLACE AT VARIOUS LEVELS, AND I AM VERY PLEASED AT THIS TIME TO ANNOUNCE THAT COLONEL GENERAL PACSEK, COMMANDER OF THE HUNGARIAN ARMY, HAS ACCEPTED OUR INVITATION TO VISIT THE UNITED STATES IN OCTOBER AND MEET WITH THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF. THIS WILL BE THE FIRST TIME THAT SUCH A HIGH RANKING MILITARY OFFICER FROM HUNGARY WILL MAKE SUCH A VISIT.

VZCZCPA0575DKA977 BM 01-JUN-89 TOR: 15:47
OO RUFHFR CN: 03546
DE RUDKDA #5597 1521533 CHR: PROG
ZNY CCCCC ZZH DIST: VIP
O 011531Z JUN 89 ADD:
FM AMEMBASSY BUDAPEST
TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1702
INFO RUEHC/SECSTATE WASHDC 5926
RUEHIA/USIA WASHDC 8160

I WOULD LIKE TO TURN NOW TO ONE OF THE MOST ACTIVE AREAS OF THE RELATIONSHIP BETWEEN OUR TWO COUNTRIES AND ONE I BELIEVE IS PARTICULARLY IMPORTANT. WHEN I WAS LAST HERE IN 1983 THERE WERE TWENTY-FOUR FULBRIGHT SCHOLARS; NOW THERE ARE OVER FIFTY. THE NUMBER OF STUDENTS TRAVELLING FROM HUNGARY TO THE UNITED STATES HAS INCREASED TENFOLD. IN 1983 THERE WERE FEWER THAN THREE HUNDRED EXCHANGE VISITORS; NOW THERE ARE ALMOST NINE HUNDRED. TWENTY AMERICAN COLLEGES NOW HAVE EXCHANGE PROGRAMS OF THEIR OWN, IN ADDITION TO THOSE WE SPONSOR. I KNOW SOME AMERICAN STUDENTS STUDYING HERE IN HUNGARY ARE WITH US TODAY. ALSO EXCITING FOR US IS THE DEVELOPMENT OF MANY PRIVATELY SPONSORED PROGRAMS FOR YOUNG HIGH SCHOOL STUDENTS, WHO OFTEN SPEND A SEMESTER OR A YEAR IN EACH OTHER'S HOMES, LEARNING ABOUT EACH OTHER'S COUNTRIES IN A FAMILY SETTING. WE ENTHUSIASTICALLY APPLAUD THE MANY PRIVATE FOUNDATIONS AND INDIVIDUALS WHO MAKE THESE PROGRAMS POSSIBLE.

~~CONFIDENTIAL~~ BUDAPEST 005597

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PARIS PLEASE PASS TO WHITE HOUSE: SPEECHWRITER PEGGY DOOLEY

SECSTATE FOR EUR/EEY FOR SWIHART

DEPT PLEASE PASS TO WHITE HOUSE

E.O. 12356: DECL: OADR

TAGS: OVIP, HU

SUBJECT: DRAFT TEXT OF PRESIDENT BUSH'S SPEECH

~~CONFIDENTIAL~~ SECTION 03 OF 06 BUDAPEST 005597

EXDIS

SAME TIME, STABILITY WITHOUT CHANGE IS NOT POSSIBLE. A MAJOR AND VERY DRAMATIC PART OF THE LIBERALIZATION OF THE HUNGARIAN POLITICAL SYSTEM AND THE RETURN OF RIGHTS TO THE PEOPLE HERE HAS BEEN THE DECISION LAST YEAR OF THE GOVERNMENT OF HUNGARY TO LIBERALIZE THE RESTRICTIONS ON THE TRAVEL OF ITS CITIZENS. WE WELCOME THE DRAFT LEGISLATION THE GOVERNMENT HAS PREPARED THAT WILL RECOGNIZE THE FUNDAMENTAL RIGHTS OF HUNGARIANS TO EMIGRATE LEGALLY IF THEY SO WISH. ON THE BASIS OF THIS CHANGE IN HUNGARIAN LAW, MY ADMINISTRATION WILL SUPPORT THE EXTENSION OF MULTI-YEAR MOST-FAVORED-NATION STATUS TO HUNGARY. MEANWHILE, WE ARE DOING ALL WE CAN TO PROMOTE THE VISITS OF AMERICANS HERE AND OF HUNGARIANS TO OUR COUNTRY; IN THE BELIEF THAT SUCH PRIVATE CONTACTS STRENGTHEN THE CAUSE OF PEACE BY BUILDING PRACTICAL COOPERATION IN A THOUSAND DIFFERENT FIELDS AND MUTUAL INTEREST. I UNDERSTAND THAT LAST YEAR OVER ONE HUNDRED THOUSAND AMERICANS CAME HERE, AND THAT OVER TWENTY THOUSAND HUNGARIANS WENT TO AMERICA. WE ARE DELIGHTED TO SEE THE PEOPLE OF HUNGARY EXERCISING THEIR RIGHT TO TRAVEL AND TO HAVE FREE CONTACT WITH PEOPLE FROM OTHER COUNTRIES. IN ORDER TO MAKE SUCH CONTACTS EASIER ON BOTH SIDES, I AM PLEASED TO ANNOUNCE TWO NEW AGREEMENTS WITH YOUR GOVERNMENT-- ON TOURISM AND CIVILIAN AIR TRAFFIC. ON ALL FRONTS WE ARE ENCOURAGING THIS KIND OF DIRECT CONTACT. HUNGARY HAS BEEN ONE OF THE LEADING WARSAW PACT NATIONS IN SUPPORTING CONTACTS BETWEEN OUR RESPECTIVE MILITARY PEOPLE. THROUGH THESE CONTACTS, AMERICAN AND HUNGARIAN MILITARY PERSONNEL ARE STEADILY IMPROVING THEIR KNOWLEDGE OF EACH OTHER'S

TODAY I AM VERY PLEASED TO ANNOUNCE THAT THE UNITED STATES INFORMATION AGENCY IS GOING TO GRANT THREE HUNDRED THOUSAND DOLLARS TO SUPPORT SIX NEW YOUTH EXCHANGES WITH HUNGARY. SOME HERE IN THIS AUDIENCE WILL BE GOING TO THE UNITED STATES. THE STUDY OF THE ENGLISH LANGUAGE IN HUNGARY HAS BECOME WILDLY POPULAR, AND WE HAVE BEEN ASKED BY THE HUNGARIAN GOVERNMENT TO SUPPORT IT. THEREFORE IT IS WITH PARTICULAR PLEASURE THAT I
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INCOMING

AMEMBASSY PARIS

PAGE 01 BUDAPEST 005597 XMA743
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BUDAPEST 005597 XMA743

ACTION MNE-01
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VZCZCPA0581DKA982 BM 01-JUN-89 TOR: 15:52
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O 011535Z JUN 89 ADD:
FM AMEMBASSY BUDAPEST
TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1703
INFO RUEHC/SECSTATE WASHDC 5927
RUEHIA/USIA WASHDC 8161
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PARIS PLEASE PASS TO WHITE HOUSE; SPEECHWRITER PEGGY DOOLEY

SECSTATE FOR EUR/EEY FOR SWIHART

DEPT PLEASE PASS TO WHITE HOUSE

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E.O. 12356; DECL: OADR
TAGS: OVIP, HU
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~~CONFIDENTIAL~~ SECTION 04 OF 06 BUDAPEST 005597

EXDIS

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NSC FOR BLACKHILL
EUR/EEY FOR SWIHART

E.O. 12356; DECL: OADR
TAGS: OVIP, HU
SUBJECT: SUGGESTED TEXT OF PRESIDENT BUSH'S SPEECH

ANNOUNCE THAT WE ARE SENDING 20 PEACE CORPS VOLUNTEERS TO HUNGARY TO TEACH ENGLISH--ONE FOR EACH OF YOUR 19 COUNTIES AND FOR BUDAPEST. THIS IS THE FIRST PEACE CORPS PROGRAM IN AN EAST CENTRAL EUROPEAN COUNTRY. THE U.S. INFORMATION AGENCY IS PROVIDING TEACHERS AND TRAINING AS WELL. THE ENGLISH LANGUAGE HAS BECOME MORE THAN THE VEHICLE FOR THE CULTURES OF THE COUNTRIES TO WHICH IT IS NATIVE--IT IS NOW THE ACCEPTED LANGUAGE OF INTERNATIONAL TRADE. GOOD HUNGARIAN MANAGERS AND BUSINESS PEOPLE MUST BE ABLE TO COMMUNICATE ABROAD IN ORDER TO DEVELOP YOUR TRADE, AND SO I HOPE THESE TEACHERS WILL BE PROMOTING THE DEVELOPMENT OF HUNGARIAN BUSINESS AS THEY TEACH THE BEAUTIES OF SHAKESPEARE AND HEMINGWAY. THE HUNGARIAN GOVERNMENT AND THE HUNGARIAN PEOPLE SEE THE NEED FOR BOTH ECONOMIC AND POLITICAL REFORM TO ENABLE HUNGARY ONCE AGAIN TO JOIN THE DEVELOPED, DEMOCRATIC COMMUNITY OF NATIONS. HUNGARY IS AT THE FOREFRONT OF ECONOMIC REFORM IN THIS REGION. STEPS HAVE BEEN TAKEN TO ENCOURAGE PRIVATIZATION, FOREIGN INVESTMENT, LIBERALIZE IMPORTS, AND GRADUALLY REALIGN

PRICES TO WORLD LEVELS. BUT IT HAS BEEN A SLOW PROCESS AND MUCH REMAINS TO BE DONE. THE UNITED STATES IS WILLING TO BE A PARTNER IN THE REFORM PROCESS, IN A TRUE EFFORT TO ESTABLISH HUNGARY AS AN EFFECTIVE ECONOMY, INTEGRATED INTO THE WORLD ECONOMY AND TRADING SYSTEM. WE WANT TO HELP YOU CREATE THE INFRASTRUCTURE NECESSARY FOR THAT, AND TO HELP YOU ADDRESS YOUR DEBT PROBLEMS. IN RETURN, WE REQUIRE ONLY THAT THE REFORM PROCESS BE GENUINE, AND NOT A MATTER OF RHETORIC UNSUBSTANTIATED BY REAL ACTION.

TODAY I AM ANNOUNCING A NUMBER OF CONCRETE STEPS WE HAVE MAPPED OUT IN THIS AREA. THESE STEPS WILL OPEN UP TRADE BETWEEN OUR TWO COUNTRIES; WILL FOSTER SENSIBLE INVESTMENT; AND WILL HELP TRAIN A NEW ECONOMIC LEADERSHIP.

-- FIRST, WE WILL, AS I HAVE SAID, PROPOSE TO THE CONGRESS THIS FALL THAT HUNGARY BE GRANTED MULTI-YEAR MOST-FAVORED-NATION STATUS FOLLOWING ITS ADOPTION OF LEGISLATION ALLOWING FOR THE FREE EMIGRATION OF ITS CITIZENS.

-- SECOND, WE ARE INCLUDING HUNGARY IN THE GENERAL SYSTEM OF PREFERENCES, WHICH PROVIDES TARIFF PREFERENCES TO DEVELOPING ECONOMIES.

-- THIRD, MY ADMINISTRATION IS EXTENDING THE TRADE AND DEVELOPMENT PROGRAM TO HUNGARY. THE FIRST TDP PROJECT HERE WILL BE HELPING TO FUND PLANNING FOR THE REDEVELOPMENT OF BORSOD COUNTY. SIMILAR PROGRAMS HAVE HELPED MOVE DEPRESSED REGIONS INTO NEW AREAS OF ECONOMIC ACTIVITY AND AWAY FROM LOSS-MAKING ENTERPRISES.

-- FOURTH, MY ADMINISTRATION IS ALSO SUPPORTING THE EXTENSION OF THE PROGRAMS OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION TO HUNGARY TO ENCOURAGE AMERICAN INVESTMENT IN SENSIBLE, WELL-MANAGED, FINANCIALLY SOUND ENTERPRISES.

-- TO HELP FOSTER TRADE IN BOTH DIRECTIONS, MY ADMINISTRATION HAS AGREED TO ALLOW THE GOVERNMENT OF HUNGARY TO OPEN A TRADE OFFICE ON THE WEST COAST.

-- I AM ALSO PLEASED TO ANNOUNCE THE ESTABLISHMENT BY THE AMERICAN INVESTMENT COMPANY BEARS-STEARN OF A SPECIAL INVESTMENT FUND TO BE CALLED THE "HUNGARY FUND." THIS PRIVATE INITIATIVE WILL BUY STOCK IN HUNGARIAN COMPANIES AND HELP DEVELOP THE BUDDING STOCK MARKET AND FREE ENTERPRISE SYSTEM IN THIS COUNTRY.

THE GREAT STRENGTH OF AMERICA IS OUR PRIVATE COMPANIES. I AM THEREFORE PLEASED TO BE ABLE TO ANNOUNCE THAT

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INCOMING

AMEMBASSY PARIS

PAGE 01 BUDAPEST 005597 XMA745
-----01/1552Z

BUDAPEST 005597 XMA745

ACTION MNE-01
INFO AMB-01 DCM-01 POL-01 ESA-04 READ-01 CPU-01 GEP-01
USI-01 RSO-01 DAO-01 FIN-01 SCI-01 CGN-01 LAB-01 ORA-01
PRS-01 AGR-01 STC-01 EXT-01 FCS-01 BFO-01 INT-01 SECD-01
DCMO-01 MIL-01 MINE-01 INV-01 AID-01 PAO-01 SCIO-01
APER-01 POLD-01 TVU-03 ADM-03 GSO-01 PER-01 CPO-01
CCO-01 USS-01 ISS-01 PCHD-01 /049

VZCZCPA0584DKA984 BM 01-JUN-89 TOR: 15:53
OO RUFHFR CN: 03555
DE RUDKDA #5597 1521539 CHR: PROC
ZNY CCCCC ZZH DIST: VIP
O 011539Z JUN 89 ADD:
FM AMEMBASSY BUDAPEST
TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1704
INFO RUEHC/SECSTATE WASHDC 5928
RUEHIA/USIA WASHDC 8162

BT
~~CONFIDENTIAL~~ BUDAPEST 005597

PARIS PLEASE PASS TO WHITE HOUSE; SPEECHWRITER PEGGY DOOLEY

SECSTATE FOR EUR/EEY FOR SWIHART

DEPT PLEASE PASSTO WHITE HOUSE

USIA FOR EU:JORIA

E.O. 12356; DECL: OADR
TAGS: OVIP, HU
SUBJECT: DRAFT TEXTS OF PRESIDENT BUSH'S SPEECH

RPT FYA

~~CONFIDENTIAL~~ SECTION 05 OF 06 BUDAPEST 005597
E.O. 12356; DECL: OADR
TAGS: OVIP, HU
SUBJECT: SUGGESTED TEXT OF PRESIDENT BUSH'S SPEECH

NINE MAJOR AMERICAN COMPANIES ARE CONCLUDING NEW DEALS IN HUNGARY. A NEW BOUNTY OF GOODS WILL COME FROM THESE DEALS FOR THE HUNGARIAN PEOPLE--GENERAL MOTORS CARS, ESTEE LAUDER PERFUMES, SCHWINN BICYCLES, LEVI STRAUSS JEANS, DOW STYROFOAM, GUARDIAN GLASS, REMINGTON SHAVERS, JOHNSON AND JOHNSON'S HEALTH PRODUCTS, A NEW MARRIOTT HOTEL. THIS WILL INCREASE AMERICAN EXPORTS TO HUNGARY AND HUNGARIAN EXPORTS TO EUROPE. THIS IS A MAJOR ADVANCE IN OUR BUSINESS PRESENCE IN YOUR COUNTRY. IT WILL MEAN A TENFOLD INCREASE IN THE NUMBER OF AMERICAN BUSINESSMEN HERE. I ALSO WISH TO NOTE THE SALE TO HUNGARY THIS WEEK OF 50 MILLION DOLLARS OF AGRICULTURAL EQUIPMENT MANUFACTURED IN THE UNITED STATES. NOW WOULD LIKE TO TALK ABOUT A PROJECT THAT I BELIEVE IS ESSENTIAL TO THE KIND OF PROGRESS WE WANT TO PROMOTE HERE IN HUNGARY. A COUPLE OF YEARS AGO, THE UNITED STATES HELPED TO ESTABLISH THE INTERNATIONAL MANAGEMENT INSTITUTE, TO HELP TRAIN HUNGARIAN MANAGERS IN WESTERN BUSINESS METHODS. TODAY I WOULD LIKE TO ANNOUNCE WITH YOUR GOVERNMENT THAT WE ARE OPENING A NEW CENTER TO PROMOTE THE FORMATION OF SMALL PRIVATE BUSINESSES IN HUNGARY. WE BELIEVE THAT IT IS IN THIS SECTOR THAT THE TRUE GENIUS AND CREATIVITY OF THE HUNGARIAN PEOPLE STANDS OUT. CALLED THE HUNGARIAN ENTERPRISE GROUP, THE CENTER WILL HELP TO MATCH UP VENTURE CAPITAL, BOTH FOREIGN AND HUNGARIAN, WITH SMALL BUSINESS PEOPLE WITH GOOD, INNOVATIVE IDEAS

FOR NEW PRODUCTS AND SERVICES. FINALLY, I AM PARTICULARLY PLEASED TO ANNOUNCE TODAY THAT WE WILL BE OPENING, WITHIN THE NEXT TWO YEARS, AN AMERICA HOUSE IN THE CENTER OF BUDAPEST. THIS NEW CENTER WILL HELP HUNGARIANS TO BECOME MORE FAMILIAR WITH AMERICAN CULTURE AND WILL ALSO PROMOTE OUR TRADE RELATIONS. THE FACILITY WILL INCLUDE A WELL EQUIPPED LIBRARY, A CULTURAL CENTER AND SPACE FOR COMMERCIAL EXHIBITIONS. THE CELEBRATED AMERICAN ARCHITECT, ROBERT STERN, PLANS FOR THIS CENTER, WHICH WE INTEND TO BE A NOTABLE ADDITION TO YOUR CITY OF GREAT BUILDINGS ARE BEING RELEASED TODAY. I DON'T WANT TO TRY TO FOOL YOU. YOU KNOW AS WELL AS I DO THAT ALL THESE EFFORTS ALONE ARE NOT GOING TO SOLVE THE VERY SERIOUS DIFFICULTIES LYING AHEAD OF THIS COUNTRY AS YOU SEEK TO MAKE UP FOR MANY YEARS OF POLITICAL REPRESSION AND POOR ECONOMIC POLICIES WHICH WERE BASED ON IDEOLOGY RATHER THAN REALITY. YOU KNOW THAT TURNING THIS COUNTRY AROUND WILL TAKE HARD EFFORT, AS WELL AS SUPPORT FROM YOUR FRIENDS.

BUT WE, YOUR FRIENDS IN THE UNITED STATES, BELIEVE THAT THE HUNGARIAN PEOPLE, RELEASED FROM THE RESTRAINTS ON YOUR INITIATIVE AND RESOURCEFULNESS, ARE EQUAL TO THIS CHALLENGE. FOR TOO MANY YEARS WE IN THE WEST HAVE HAD TO STAND BY AND WATCH THE SUFFERING OF THE PEOPLES OF EASTERN EUROPE UNDER REPRESSIVE GOVERNMENTS, EFFECTIVE IN LITTLE BEYOND HOLDING DOWN DISSENT AND KEEPING THEMSELVES IN POWER. THOSE DAYS ARE OVER, AND IT IS TIME TO GO FORWARD. WHEN I VISITED THIS COUNTRY IN 1983, I SAW A VASTLY DIFFERENT HUNGARY FROM THE ONE I SEE TODAY. TODAY I SEE A COUNTRY IN WHICH THE RIGHTS OF MAN ARE BEGINNING TO BE RESPECTED, AS THEY HAVE NOT BEEN FOR MANY YEARS. I SEE A COUNTRY IN FERMENT, WHERE THERE IS FREE AND OPEN DEBATE ABOUT THE PAST AND THE FUTURE. I SEE A COUNTRY WHICH HAS GONE FURTHER ALONG THE ROAD TO REFORM THAN ANY OTHER IN THIS REGION. I SEE A COUNTRY RICH IN HUMAN RESOURCES, AND RICH IN THE MORAL POWER AND DEEP COURAGE OF ITS PEOPLE. I SEE A NATION THAT IS EMERGING FROM THE PAST, AND BUILDING ITS FUTURE. I CONGRATULATE YOU ON LIVING BT
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INCOMING

AMEMBASSY PARIS

PAGE 01

BUDAPEST 005597

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01/1552Z

ACTION	<u>MNE-01</u>								
INFO	AMB-01	DCM-01	POL-01	ESA-04	READ-01	CPU-01	GEP-01		
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	DCMO-01	MIL-01	MINE-01	INV-01	AID-01	PAO-01	SCIO-01		
	APER-01	POLD-01	TVU-03	ADM-03	GSO-01	PER-01	CPO-01		
	CCO-01	USS-01	ISS-01	PCHD-01	/049				

VZCZCPAO582DKA983 BM 01-JUN-89
 OO RUFHFR
 DE RUDKDA #5597 1521541
 ZNY CCCCC ZZH
 O 011541Z JUN 89
 FM AMEMBASSY BUDAPEST
 TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1705
 INFO RUEHC/SECSTATE WASHDC 5929
 RUEHIA/USIA WASHDC 8163
 BT

TOR: 15:52
 CN: 03553
 CHR: PROG
 DIST: VIP
 ADD:

~~CONFIDENTIAL~~ BUDAPEST 05597

PARIS PLEASE PASS TO WHITE HOUSE: SPEECHWRITER PEGGY DOOLEY

SECSTATE FOR EUR/EEY FOR SWIHART

DEPT PLEASE PASS TO WHITE HOUSE

USIA FOR EU: JORIA

E. O. 12356: DECL: OADR

TAGS: OVIP, HU

SUBJECT: DRAFT TEXT OF PRESIDENT BUSH'S SPEECH

FOL MSG RPTD FYA

~~CONFIDENTIAL~~ SECTION 06 OF 06 BUDAPEST 05597

EXDIS

DEPT PASS TO WHITE HOUSE FOR STUDDERT AND KELLER
 NSC FOR BLACKWILL
 EUR/EEY FOR SWIHART

E. O. 12356: DECL: OADR

TAGS: OVIP, HU

SUBJECT: SUGGESTED TEXT OF PRESIDENT BUSH'S SPEECH

AT SUCH A TIME, AND I AND THE PEOPLE OF AMERICA
 WISH YOU WELL. END QUOTE.

PALMER UNQUOTE

PALMER

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~~CONFIDENTIAL~~

AMEMBASSY PARIS

PAGE 01

BUDAPEST 005883

XMA708

BUDAPEST 005883

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ACTION MNE-01

INFO AMB-01 DCM-01 POL-01 ESA-04 READ-01 CPU-01 GEP-01
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 APER-01 POLD-01 TVU-03 ADM-03 GSO-01 PER-01 CPO-01
 CCO-01 USS-01 ISS-01 PCHD-01 /049

VZCZCPA0538DKA959 BM 01-JUN-89 TOR: 15:25
 OO RUFHFR CN: 03509
 DE RUDKDA #5883 1521458 CHRG: PROG
 ZNR UUUUU ZZH DIST: VIP
 O 011456Z JUN 89 ADD:
 FM AMEMBASSY BUDAPEST
 TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1696
 RUEHIA/USIA WASHDC 8154
 INFO RUEHC/SECSTATE WASHDC 5920
 RUEHWR/AMEMBASSY WARSAW 1957
 P&C-3 AMB DCM, CONS CHRON
 BT
 UNCLAS BUDAPEST 05883

PARIS PLEASE PASS TO WHITE HOUSE; KELLER; FENDLER;
 DOOLEY

USIA FOR E/CBF; WELCH; E/CB; EU; JURIA

STATE FOR EUR/EEY FOR SWIHART

WARSAW FOR P AND C

E.O. 12356; N/A

TAGS:

SUBJECT: HUNGARIAN EDITION OF PRESIDENT BUSH'S
 AUTOBIOGRAPHY

REF: (A) BUDAPEST 5287; (B) BUDAPEST 5727

1. FOR WHITE HOUSE: HUNGARIANS ARE MOVING AHEAD AT
 FULL THROTTLE ON PROJECT; DESCRIBED IN REFTELS A AND
 B; TO TRANSLATE AND PUBLISH PRESIDENT BUSH'S
 AUTOBIOGRAPHY "LOOKING FORWARD" BEFORE HIS ARRIVAL
 HERE IN JULY. PROJECT CONTINUES TO HAVE STRONG
 SUPPORT OF HUNGARIAN MFA. TRANSLATION IS ALMOST
 COMPLETE. HUNGARIANS WANT TO GET BOOK TO PRESS ON OR
 AROUND JUNE 7. USIA WASHINGTON IS WORKING ON
 OBTAINING RIGHTS FOR BOOK FOR HUNGARIAN PUBLISHER.

2. AS NOTED IN REFTEL B; WE WOULD LIKE HUNGARIAN
 EDITION TO OPEN WITH A BRIEF "MESSAGE TO THE
 HUNGARIAN PEOPLE" FROM THE PRESIDENT. HUNGARIANS
 AGREE AND PLAN TO PLACE ON THE FRONT COVER OF THE

BOOK A TRIANGLE, MADE OUT OF THE U.S. AND HUNGARIAN
 FLAGS, CONTAINING THE PHRASE: "WITH A MESSAGE TO THE
 HUNGARIAN PEOPLE FROM PRESIDENT BUSH."

3. THE FOLLOWING IS SUGGESTED TEXT FOR THE
 PRESIDENT'S MESSAGE. WE WOULD APPRECIATE RECEIVING
 YOUR COMMENTS AND REVISIONS AS SOON AS POSSIBLE.

4. A MESSAGE TO THE HUNGARIAN PEOPLE

I AM VERY PLEASED AND VERY PROUD TO SEE A HUNGARIAN
 EDITION OF MY AUTOBIOGRAPHY. I HOPE THAT HUNGARIAN
 READERS WILL REGARD THIS BOOK NOT JUST AS AN ACCOUNT
 OF MY OWN INDIVIDUAL DEVELOPMENT BUT ALSO AS A
 PORTRAYAL OF THE TREMENDOUS OPPORTUNITIES FOR
 ACHIEVEMENT AND SELF-FULFILLMENT THAT ARE PRESENT IN

A FREE, DEMOCRATIC SOCIETY.

A LONG CAREER IN BOTH BUSINESS AND PUBLIC LIFE HAS
 LEFT ME CERTAIN ABOUT ONE THING: THERE IS VERY LITTLE
 THAT THE INDIVIDUAL--AND SOCIETY AS A WHOLE--CANNOT
 ACCOMPLISH IN AN ENVIRONMENT OF POLITICAL AND
 ECONOMIC FREEDOM.

THAT I EMPHASIZE BOTH TYPES OF FREEDOM IS NO
 ACCIDENT. LIKE MOST AMERICANS, I AM CONVINCED THAT
 POLITICAL AND ECONOMIC FREEDOM CANNOT BE SEPARATED
 FROM EACH OTHER. IF THERE IS ANYTHING THAT THE
 HISTORY OF THE 20TH CENTURY TEACHES US IT IS THAT A
 NATION CANNOT ENJOY POLITICAL FREEDOM IF ITS ECONOMY
 IS BEING CRUSHED BY THE DEAD WEIGHT OF STATE
 INTERFERENCE. AT THE SAME TIME, WE HAVE SEEN THAT
 ECONOMIC DYNAMISM REMAINS ROOTLESS AND FRAGILE IF IT
 IS NOT ACCOMPANIED BY DEMOCRATIC POLITICAL
 INSTITUTIONS.

I KNOW THAT HUNGARIANS, NO LESS THAN AMERICANS, VALUE
 BOTH POLITICAL AND ECONOMIC FREEDOM. HUNGARIANS,
 LIKE AMERICANS, WANT A SOCIETY IN WHICH THE RIGHTS OF
 THE INDIVIDUAL ARE INVOLABLE, IN WHICH GOVERNMENT
 SERVES AND IS CONTROLLED BY THE PEOPLE, AND IN WHICH
 THE ECONOMY IS ALLOWED TO DEVELOP FREE FROM THE
 SHACKLES OF STATE CONTROL.

WE IN THE UNITED STATES ARE HAPPY TO SEE THE PROGRESS
 HUNGARY HAS MADE TOWARD ACHIEVING SUCH A SOCIETY. WE
 STRONGLY SUPPORT THE PROCESS OF REFORM CURRENTLY
 UNDERWAY AND HOPE THAT IT WILL CONTINUE UNABATED.
 THE EMERGENCE OF A MULTIPARTY SYSTEM; THE
 CONSTRUCTION OF A NEW CONSTITUTION THAT WILL LIMIT
 THE POWERS OF THE STATE AND GUARANTEE THE RIGHTS OF
 ALL CITIZENS; THE OPENING OF THE NATION'S BORDERS;
 THE MELTING AWAY OF TABOOS IN THE PRESS AS WELL AS IN
 RADIO AND TELEVISION; THE WITHDRAWAL OF STATE
 BUREAUCRACY FROM THE MARKETPLACE; THE GROWTH OF THE

ECONOMY'S DYNAMIC PRIVATE SECTOR--THESE ARE ALL
 EXCELLENT DEVELOPMENTS. IF THEY ARE NUTURED AND ARE
 ALLOWED TO BEAR FRUIT, THEN HUNGARY'S FUTURE LOOKS
 VERY BRIGHT INDEED.

THE ANNALS OF HUNGARIAN HISTORY CONTAIN MANY
 IMPRESSIVE CHAPTERS. AND WHEN I LOOK AT THE
 INTELLIGENCE, THE DETERMINATION, AND THE
 INDUSTRIOUSNESS OF HUNGARIANS TODAY I HAVE NO DOUBT
 THAT MANY BRIGHT CHAPTERS LIE AHEAD OF YOU. IF THE
 PROCESSES CURRENTLY IN MOTION ARE ALLOWED TO GAIN
 MOMENTUM, IF BOTH POLITICAL AND ECONOMIC FREEDOM
 CONTINUE TO GROW, THEN I'M CONVINCED THAT YOUR
 COUNTRY WILL EXPERIENCE A REMARKABLE SURGE OF
 NATIONAL ENERGY AND ECONOMIC GROWTH. THERE ARE
 TALENTS AND SKILLS IN ABUNDANCE HERE. IF THEY ARE
 ALLOWED TO BLOSSOM IN FREEDOM, THEN HUNGARY AS A
 NATION WILL WRITE ITS OWN SUCCESS STORY IN THE
 DECADES TO COME. (END PRESIDENT'S MESSAGE)

5. FOR USIA: REQUEST INFORMATION REGARDING
 COPYRIGHT SITUATION SOONEST. PALMER

BT
 #5883
 NNNN

~~CONFIDENTIAL~~

INCOMING

AMEMBASSY PARIS

PAGE 01

BUDAPEST 005635

XMA707

BUDAPEST 005635

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ACTION ~~MNE-01~~

INFO AMB-01 DCM-01 POL-01 ESA-04 READ-01 CPU-01 GEP-01
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 APER-01 POLD-01 TVU-03 ADM-03 GSO-01 PER-01 CPO-01
 CGO-01 USS-01 ISS-01 PCHD-01 /049

SPOKE ABOUT "THE IMMENSE POWER OF THE IDEA TO BE RIGHT." THE POWER OF THE IDEA, OF THE RIGHT IS BEING DEMONSTRATED NOWHERE BETTER THAN TODAY IN THIS CITY ON THE DANUBE, WHERE WE ARE SEEING SO MANY CHANGES. THE WORLD WATCHES WITH US AS HUNGARY IS TRANSFORMED, AS DEMOCRACY AND FREEDOM ARE AT LAST COMING INTO THEIR OWN.

VZCZCPA0536DKA957 BM 01-JUN-89 TOR: 15:24
 OO RUFHFR CN: 03507
 DE RUDKDA #5635 1521508 CHR: PROG
 ZNY CCCCC ZH DIST: VIP
 O 011505Z JUN 89 ADD:
 FM AMEMBASSY BUDAPEST
 TO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1698
 INFO RUEHC/SECSTATE WASHDC 5922
 RUEHIA/USIA WASHDC 8156
 BT

AT THIS TIME WHEN WE EAGERLY LOOK TOWARD A BRIGHTER FUTURE FOR THE HUNGARIAN PEOPLE, IT IS APPROPRIATE ALSO TO LOOK BACK AT THE BRAVE MEN AND WOMEN WHO HAVE FOUGHT SO VALIANTLY IN THE NAME OF FREEDOM. WE KNOW THE NAME OF KOSSUTH AND OF THE TWO PRIME MINISTERS WHO STROVE FOR DEMOCRACY -- LAJOS BATHYANY IN 1848 AND IMRE NAGY IN 1956, AND WHO ARE COMMEMORATED WITH AN ETERNAL FLAME JUST TWO BLOCKS FROM HERE. BUT THERE WERE MANY OTHERS WHOSE NAMES WE DO NOT KNOW, WHO STRUGGLED TO MAKE HUNGARY FREE.

~~CONFIDENTIAL~~ BUDAPEST 05635

WE SALUTE THOSE BRAVE PATRIOTS.

PARIS PLEASE PASS TO WHITE HOUSE; SPEECHWRITER PEGGY DOOLEY

MY FRIENDS, I WOULD LIKE TO SAY A SPECIAL GREETING NOW TO THE AMERICANS, MANY OF HUNGARIAN BACKGROUND, WHO HAVE COME TO WELCOME ME THIS EVENING. YOU KNOW, IN AMERICA WE HAVE A LOT OF PEOPLE WHO CAN TRACE THEIR ANCESTRY TO HUNGARY. AMERICA HAS BEEN ENRICHED BY THE CONTRIBUTIONS OF THESE HARD-WORKING PEOPLE; FROM THE MINERS AND FARMERS WHO SETTLED IN CLEVELAND, OHIO, TO THE SCIENTISTS, ARTISTS, MUSICIANS, AND OTHERS WHO, PROSPERING IN THEIR NEW LAND, GAVE BACK AS MUCH OR MORE THAN THEY RECEIVED. PEOPLE LIKE CONDUCTORS AND COMPOSERS GEORGE SZELL AND EUGENE ORMANDY, MOVIE DIRECTOR MICHAEL CURTIZ AND PRODUCER ALEXANDER KORDA, PLAYWRIGHT FERENC MOLNAR, SCIENTISTS EDWARD TELLER AND ALBERT SZENT-GYORGYI, MEMBER OF CONGRESS TOM LANTOS, FINANCIER GEORGE SOROS, AND HISTORIAN JOHN LUKACS, AMONG OTHERS. THESE HUNGARIAN-AMERICANS HAVE GIVEN MUCH TO US, AND NOW MANY OF THEM ARE GIVING BACK TO THEIR OLD HOME AS WELL.

SECSTATE FOR EUR/EEY FOR SWIHART
DEPT PLEASE PASS TO WHITE HOUSE

USIA FOR EU: JORJA

FOL TEL SENT SECSTATE ON 26 MAY BEING REPEATED TO YOU, QUOTE:

~~CONFIDENTIAL~~ SECTION 01 OF 02 BUDAPEST 05635

LADIES AND GENTLEMEN, AS THE FIRST AMERICAN PRESIDENT TO VISIT HUNGARY WHILE STILL IN OFFICE, I BRING YOU THE WARM WISHES OF THE AMERICAN PEOPLE. ONE HUNDRED AND FORTY YEARS AGO, THE WHOLE WORLD LOOKED IN ADMIRATION AS THE HUNGARIAN PEOPLE ROSE UP IN REVOLUTION. TODAY WE WATCH IN RESPECT AS ANOTHER REVOLUTION IS GOING ON IN HUNGARY. TODAY A PEACEFUL REVOLUTION IS BRINGING THOSE THINGS TO HUNGARY FOR WHICH THE GREAT KOSSUTH STRUGGLED SO HARD. THE REFORM PROCESS THAT IS MAKING THIS COUNTRY FAMOUS ONCE AGAIN CAN BRING WHAT WE ALL OF US, WHEREVER WE LIVE, WANT FOR OURSELVES AND OUR CHILDREN --

FOR EUR/EEY

E.O. 12356; DECL; OADR
 TAGS: OVIP (BUSH, GEORGE), HU
 SUBJECT: DRAFT TEXT OF ARRIVAL REMARKS AT THE KOSSUTH
 - STATUE

DEMOCRACY, PEACE, A DECENT STANDARD OF LIVING, AND FREEDOM TO DETERMINE OUR OWN FATES. I BRING YOU TONIGHT THE HOPES OF MY PEOPLE THAT THIS PROCESS WILL GO FORWARD IN PEACE.

1. ~~CONFIDENTIAL~~ ENTIRE TEXT.
2. BELOW IS THE DRAFT TEXT OF ARRIVAL REMARKS BY PRESIDENT BUSH AT THE KOSSUTH STATUE.
3. BEGIN TEXT:

MR. PRESIDENT, MY HUNGARIAN AND AMERICAN FRIENDS:

THANK YOU FOR THIS VERY WARM WELCOME ON MY RETURN TO HUNGARY. MAY I SAY HOW VERY HAPPY I AM TO BE BACK HERE IN YOUR EXTRAORDINARY COUNTRY.

GOOD EVENING.
 PALMER
 BT
 #5635
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AS I LOOK AROUND THIS SQUARE THIS EVENING I CAN SEE WHY BUDAPEST IS FAMOUS AS ONE OF THE MOST BEAUTIFUL CAPITALS OF THE WORLD. AND I AM REMINDED THAT IT IS A CITY FULL OF HISTORY, NOWHERE PERHAPS MORE SO THAN IN THIS SQUARE NAMED AFTER YOUR GREAT PATRIOT, LAJOS KOSSUTH.

IN A FEW MINUTES I WILL BE RECEIVED IN YOUR PARLIAMENT BUILDING; ONE HUNDRED AND FORTY YEARS AGO MR. KOSSUTH WAS RECEIVED IN OUR CONGRESS. IN HIS REMARKS TO THE CONGRESSMEN WHO WELCOMED HIM, MR. KOSSUTH SPOKE ELOQUENTLY ABOUT THE STRIVING OF THE HUNGARIAN PEOPLE FOR FREEDOM. HE NOTED "WE HUNGARIANS ARE VERY FOND OF THE PRINCIPLE OF MUNICIPAL SELF-GOVERNMENT; AND WE HAVE A NATURAL HORROR AGAINST THE PRINCIPLE OF CENTRALIZATION." HE STRESSED THAT "BAYONETS MAY SUPPORT, BUT AFFORD NO CHAIR TO SIT UPON." KOSSUTH

DECLASSIFIED
 Department of State Guidelines
 E.O. 12958, SEC 3.4 (B), July 21, 1997
 By 14 NARA, Date 06/02/93

~~CONFIDENTIAL~~

ACTION MNE-2 INFO DCM CPU

VZCZCPAC332DKA744 JS
OO RUFHFR
DE RUDKDA #5834/01 152103Z
ZNY CCCCC ZZH
O 011030Z JUN 89
FM AMEMBASSY BUDAPEST
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5876
INFO RUFHFR/AMEMBASSY PARIS IMMEDIATE 1689
BT

01-JUN-89 TOR: 11:26
CN: 03303
CHRG: PROG
DIST: MISC
ADD:

~~CONFIDENTIAL~~ SECTION 01 OF 02 BUDAPEST 05834

DEPARTMENT FOR EUR/EEY

PARIS FOR PEGGY DOOLEY, WHITE HOUSE ADVANCE TEAM

E.O. 12356: DECL: OADR
TAGS: OVIP (BUSH, GEORGE)R HU
SUBJECT: DRAFT TEXT OF ARRIVAL REMARKS AT THE
- KOSSUTH STATUE
-

REF: BUDAPEST 5635

1. (~~CONFIDENTIAL~~ -- ENTIRE TEXT.)

2. BELOW IS A REVISED DRAFT TEXT OF ARRIVAL REMARKS BY PRESIDENT BUSH AT THE KOSSUTH STATUE. THE PRESIDENT SHOULD, AT SOME POINT DURING HIS VISIT, ADDRESS THE WITHDRAWAL OF SOVIET TROOPS FROM HUNGARY AND THE PLANNED CUTBACKS IN THE HUNGARIAN MILITARY. WE BELIEVE THAT THE MOST APPROPRIATE PLACE TO DO THIS WOULD BE DURING HIS ARRIVAL REMARKS.

3. BEGIN TEXT.

MR. PRESIDENT, MY HUNGARIAN AND AMERICAN FRIENDS:

THANK YOU FOR THIS VERY WARM WELCOME ON MY RETURN TO HUNGARY. MAY I SAY HOW VERY HAPPY I AM TO BE BACK HERE IN YOUR EXTRAORDINARY COUNTRY.

AS I LOOK AROUND THIS SQUARE THIS EVENING, I CAN SEE WHY BUDAPEST IS FAMOUS AS ONE OF THE MOST BEAUTIFUL CAPITALS OF THE WORLD. AND I AM REMINDED THAT IT IS A CITY FULL OF HISTORY, NOWHERE PERHAPS MORE SO THAN IN THIS SQUARE NAMED AFTER YOUR GREAT PATRIOT, LAJOS KOSSUTH.

IN A FEW MINUTES I WILL BE RECEIVED IN YOUR PARLIAMENT BUILDING; ONE HUNDRED AND FORTY YEARS AGO MR. KOSSUTH WAS RECEIVED IN OUR CONGRESS. IN HIS REMARKS TO THE CONGRESSMEN WHO WELCOMED HIM, MR. KOSSUTH SPOKE ELOQUENTLY ABOUT THE STRIVING OF THE HUNGARIAN PEOPLE FOR FREEDOM. HE NOTED "WE HUNGARIANS ARE VERY FOND OF THE PRINCIPLE OF MUNICIPAL SELF-GOVERNMENT; AND WE HAVE A NATURAL HORROR AGAINST THE PRINCIPLE OF CENTRALIZATION." HE STRESSED THAT "BAYONETS MAY

DECLASSIFIED
Department of State Guidelines
E.O. 12958, SEC 3.4 (B), July 21, 1997
By 11 NARA, Date 04/02/23

SUPPORT, BUT AFFORD NO CHAIR TO SIT UPON." KOSSUTH SPOKE ABOUT "THE IMMENSE POWER OF THE IDEA TO BE RIGHT." THE POWER OF THE IDEA, OF THE RIGHT IS BEING DEMONSTRATED NOWHERE BETTER THAN TODAY IN THIS CITY ON THE DANUBE, WHERE WE ARE SEEING SO MANY CHANGES. THE WORLD WATCHES WITH US AS HUNGARY IS TRANSFORMED, AS DEMOCRACY AND FREEDOM ARE AT LAST COMING INTO THEIR OWN.

AT THIS TIME WHEN WE EAGERLY LOOK FORWARD TO A BRIGHTER FUTURE FOR THE HUNGARIAN PEOPLE, IT IS APPROPRIATE ALSO TO LOOK BACK AT THE BRAVE MEN AND WOMEN WHO HAVE FOUGHT SO VALIANTLY IN THE NAME OF FREEDOM. WE KNOW THE NAME OF KOSSUTH AND OF THE TWO PRIME MINISTERS WHO STROVE FOR DEMOCRACY -- LAJOS BATTYANY IN 1848 AND IMRE NAGY IN 1956, AND WHO ARE COMMEMORATED WITH AN ETERNAL FLAME JUST TWO BLOCKS FROM HERE. BUT THERE WERE MANY OTHERS WHOSE NAMES WE DO NOT KNOW, WHO STRUGGLED TO MAKE HUNGARY FREE.

WE SALUTE THOSE BRAVE PATRIOTS.

PEACE, FREEDOM AND PROSPERITY GO HAND-IN-HAND. HUNGARIANS WHO THROUGHOUT THE CENTURIES HAVE SUFFERED SO MUCH FROM THE RAVAGES OF WAR RECOGNIZE THIS. TODAY, AS EAST-WEST TENSIONS SUBSIDE, YOU SEE THAT YOU ARE NOW LIVING IN A MORE PEACEFUL WORLD. HUNGARY FACES NO MILITARY THREAT FROM ACROSS ITS WESTERN BORDERS AND YOUR GOVERNMENT HAS ACTED ON ITS RECOGNITION OF THIS FACT. WE WELCOME THE WITHDRAWAL OF SOVIET TROOPS THAT HAS TAKEN PLACE AND THE PLANNED CUT BACKS IN THE HUNGARIAN MILITARY, AND WE HOPE THAT PROGRESS WILL CONTINUE ON THIS FRONT. WE APPRECIATE THE POSITIVE HUNGARIAN CONTRIBUTIONS IN SUCH FORA AS THE CONVENTIONAL ARMS REDUCTION AND CONFIDENCE BUILDING TALKS NOW UNDERWAY IN VIENNA.

LADIES AND GENTLEMEN, AS THE FIRST AMERICAN PRESIDENT TO VISIT HUNGARY WHILE STILL IN OFFICE, I BRING YOU THE WARM WISHES OF THE AMERICAN PEOPLE. ONE HUNDRED AND FORTY YEARS AGO, THE WHOLE WORLD LOOKED IN ADMIRATION AS THE HUNGARIAN PEOPLE ROSE UP IN REVOLUTION, AND I AM CONSCIOUS, AS I LOOK OUT ON

THIS SQUARE, THAT 43 YEARS AGO, PEACEFUL DEMONSTRATORS WERE SHOT DOWN HERE. TODAY WE WATCH IN RESPECT AS ANOTHER REVOLUTION IS GOING ON IN HUNGARY. TODAY A PEACEFUL REVOLUTION IS BRINGING THOSE THINGS TO HUNGARY FOR WHICH THE GREAT KOSSUTH STRUGGLED SO HARD. THE REFORM PROCESS THAT IS MAKING THIS COUNTRY FAMOUS ONCE AGAIN CAN BRING WHAT WE ALL OF US, WHEREVER WE LIVE, WANT FOR OURSELVES AND OUR CHILDREN -- DEMOCRACY, PEACE, A DECENT STANDARD OF LIVING, AND FREEDOM TO DETERMINE OUR OWN FATES. I BRING YOU TONIGHT THE HOPES OF MY PEOPLE THAT THIS PROCESS WILL GO FORWARD IN PEACE.

GOOD EVENING.

PALMER

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Grosz Speech at Roundtable Opening Session

*LD1306185189 Budapest Domestic Service
in Hungarian 1500 GMT 13 Jun 89*

X [Speech by Karoly Grosz, general secretary of the Hungarian Socialist Workers Party, at the opening session of roundtable talks between the MSZMP and the opposition held in the Huntmen's Hall of the National Assembly in Budapest—live]

[Text] Ladies and Gentlemen,

My esteemed fellow countrymen,

Our hectic world of today does not have many hopeful events. Many people are anxious and uncertain about the future. Therefore, on behalf of the Hungarian Socialist Workers Party [MSZMP], let me greet all of those present with trust and hope. And also those, who, in our country and abroad, will witness the beginning of genuine political talks on their television sets.

It is known that during preparations there were substantial differences of opinion between the parties regarding the participants and the specifics of the questions to be discussed. As a result of the nature of this affair, agreement is still incomplete. However, the responsibility felt toward the fate of the nation—and this is what is decisive—proved to be stronger than the differences.

R Only a few months ago, at the 1989 February session of the MSZMP Central Committee, we came to the conclusion that we have to find a peaceful transition to a representative democracy based on a multiparty system and which postulates competition among the parties. This decision of ours has met with the political goals of all of those whose representatives are now seated at this common table. We are responsible for the success of this venture not only before the Hungarian people, but also before the community of nations. Public opinion looks upon the fate of this attempt with hope but also with concern.

In our country, since May 1988, transformation of an historic scale has been unfolding. We are gradually, but at a quickening pace, moving away from a power structure of exhausted inner resources which is no longer repairable. The significant steps of political reform realized hitherto signal this; they include the widening of civil rights—among them being freedom of the press and freedom of speech—the sudden increase in the number of political organizations and the resolute intention to realistically confront the often painful events of our recent past. It can be stated without exaggeration, and international public opinion also speaks about this highly, that we have done more in this sphere during 1 year than in decades preceding it.

I would like to emphasize that it is not our intention either to overestimate or to monopolize the hitherto results of the development of a democratic constitutional state. We are of the opinion that besides the real

political recognition of the Hungarian Socialist Workers' Party, a significant part in this can be played by the social organizations and movements present here and by the constructive efforts of the parties which are now being formed. It is our resolute intention that we break with the remains of the Stalinist model in every respect. The Hungarian Socialist Workers Party, together with other political forces, intends to develop a democratic and socialist constitutional state which enforces the will of the people.

We expect from the economic and political reform steps based on consensus that we shall successfully break out of economic crisis and, instead of being permanently ousted to the periphery, we shall be able to approach the most developed regions of the world.

Besides the universal values of peace and humanism, we are searching for socialist solutions which are at the same time characteristically Hungarian. We respect our obligations regarding our allies, and at the same time, we use every effort to create a Europe without blocs.

Naturally, the joint work for a new Hungary, which is now beginning, does not mean that our responsibility for the economic and political crisis that has developed is joint. The MSZMP must shoulder its past as a ruling party, and also undertake that it will objectively reveal the lessons of its political practices in the recent past. This revealing of facts first and foremost must be credible, and in it, the previous simplifications cannot be replaced by another kind of scheming of the opposite portent. Therefore, we shall clarify what it is that we accept from the legacy of the past period, and what it is that we wish to break with.

I would like to recall that it was precisely our party that initiated such a facing up to our recent past. There are several reasons why we cannot accept a complete rejection of the past 4 decades. On the one hand we cannot, because the 4 decades are a far from uniform period in Hungarian history. We now hear a lot about its low points, its tragedies. However, we hear little, or practically nothing, about the fact that without the reform efforts of the past decades, neither May of 1988, nor the current, qualitatively new phase, could have taken place.

We also must recognize that the compromise, often roll-back, limited reform policy, in its final result, proved to be stronger than the forces that were pulling back. Although it was not always able to break through the Hungarian and international obstacles, the reform nevertheless became an organic part of our thinking.

A credible historical picture is also necessary because of our national self-esteem. If, led by daily political objectives, we speak only about the mistakes and the crimes, then we will gravely endanger every kind of resurgence. For resurgence, there is a need for us to believe in the sense of taking action, that not free of uncertainty either, we should hope for and want success.

The objective revealing of facts must extend not just to political events and to the work of public personalities—which are discussed a lot now—but also to the causes of our economic crisis. For example, the country's indebtedness is a historical legacy to which everything at present is interconnected and which determines everything. It is undeniable that bad investment decisions and the voluntarist excesses of economic growth played no small role in the development of the current difficult situation. However, it also pertains to the truth—although it does not ease our situation—that the decisive majority of the world's countries struggle with grave economic problems that resemble ours. Among them there are many in which it is not a communist party that is in power.

We also must recognize that countries that are successfully carrying out economic modernization and structural transformation, have undertaken a series of conflicts, and they are developing amid social tensions.

The MSZMP considers it important that with this knowledge, the participants should discuss strategic issues of the economy. Economic and social policy tasks and the ways in which they are accomplished, depend in the long-term on the scope of maneuver that the fulfillment of national obligations allows for policy.

Breaking out of the grave economic situation demands a strong government and a social atmosphere that encourages taking action, as well as a common will. Instead of abstract reform rhetoric, thorough professional coordination and the seeking of political compromise are necessary to work out a long-term economic strategy for stabilization and more dynamic development.

For this reason, the MSZMP considers it justified that at the talks issues of economic strategy should figure with the same weight as the transition to a democratic legal state. In this issue, the MSZMP is guided not by the otherwise unrealistic intention of averting responsibility but, much rather, by the recognition that a peaceful political transition to a multiparty system does not lead to destabilization or to the state and the economy becoming incapable of operating, only if social consensus is reached about a fair distribution of burdens.

In the opposite case, we have to face an escalation of material demands that are obviously unfulfillable. The avalanche of demands and protests paralyze the life of the country, they endanger the political stability which is indispensable for economic consolidation.

Thus, we have to carefully weigh what further sacrifices we ask for from individual strata of society, what economic—and not rhetorical—cover we are able to offer for credits asked for from the population.

Esteemed meeting, in the current complex world which is fraught with tensions, neither side can count on easy talks. It also can be expected that the agreement may not

extend to every issue on the agenda. However, I am of the view that by all means we have to come to agreement on the most important ones. In this interest, it is desirable that objectivity and a constructive intention aimed at solving the problems, should prevail at the talks. Let us leave declarations and oratorical duels for the election campaigns. For example, I do not view it to be constructive if we further continue the debate over the shape of the table, or over the differing positions of the negotiating sides. The agreement that lays down the framework of the substantive talks, and which was signed by everyone, unequivocally says: All three sides taking part in the talks are entitled to the same rights in the course of forming a consensus. From this it follows that it is necessary to work out compromises, realistic drafts which are acceptable for all three sides, so that the political and economic system placed on new bases should become operable as soon as possible.

The tasks and principles pertaining to a democratic political transition have more or less been sketched out. The MSZMP agrees that the state's organs of force should remain at a distance from the daily political struggles, and that laws should regulate their activity. However, let us also consider that arousing a mood against the armed bodies has never been conducive a peaceful transition.

The MSZMP supports the parties' efforts to ensure that an adequate infrastructure provides fair conditions for engaging in politics. In the case of laws related to the political transition—for example the party law, the law on the Constitutional Court, the creation of the institution of president of the Republic, as well as the electoral law—preparatory work is at a rather advanced phase. It would be sensible if we were to view the already worked-out draft laws that have been made public as a basis for talks. Naturally, any of the negotiating sides can avail itself of new proposals.

The strategic issues regarding overcoming the economic and social crisis, such as basic issues of handling the debt crisis, structural transformation, the concept of employment policy which is related to this, property reform, anti-inflation policy, and wages and social policy, can only constitute the agenda after further preparatory work. The stakes are not small. With the talks that are now entering a new phase, we in essence must lay the foundations so that after the elections we have programs that can be jointly accepted, in as many areas as possible. This is the condition of the coming about of an operable government coalition, and of our averting the drowning of the Hungarian multiparty system in a sea of petty party fights. X

For this reason, we must seek what links us, not what separates us. My conviction is that talks beginning now can ripen a future viable coalition and, later, political

alliances as well. It would be too early now to determine the contents of this. However, a correct consideration of interests and programs can guarantee the success of political cooperation.

The MSZMP has set forth on the path of changing from a bureaucratic state party into a left-wing socialist reform party. For example it considers differentiation on the basis of the principle of performance to be urgent, but it also advocates the lessening of social differences that cannot be justified by performance. It aims for economic effectiveness, but it wishes to make this compatible with social solidarity. It has set as its objective that private property should have an incentive effect on economic performance, but it does not renounce the determining role of effectively operating collective property.

Like one of the legendary leaders of Austrian social democracy said, some utopian surplus is necessary for a level-headed realpolitik if we want to gain the support of society. We are not now living in an era of utopias, but the opposite extreme would also be a mistake, if by surrendering our historical assets we were only to seek practical answers to the questions of our time. The experiences of the recent and more distant past indicate repeatedly that attempts to renew socialist countries can fail—they can also lead to tragic clashes. We must not confuse caution and carefully thought-out progression, with conservatism. Allow me to quote Ferenc Deak, the sage of the country, according to whom caution, even if exaggerated, always merits attention.

I believe that in our country there is an internal as well as international interest to preserve dynamic stability. For this reason, the MSZMP proposes that every participant in the political coordination talks seek ways of constructive cooperation. Even if it is not so for the past, the responsibility for the future is joint.

Thank you.

Further Grosz Comments

*LD1306211189 Budapest Domestic Service
in Hungarian 2000 GMT 13 Jun 89*

[Text] There is cautious optimism from the Hungarian Socialist Workers Party [MSZMP] and the opposition after today's first round of political coordination talks. The MSZMP general secretary expressed his hope that the political coordination talks would end before the elections and that agreement would be reached on every basic issue. This, among other things, is what Karoly Grosz said after the trilateral discussions. He said that in the second round of the talks, the MSZMP delegation would be supplemented with Rezso Nyers and Janos Berecz. According to Karoly Grosz, the difficulties are expected primarily in the economic sphere, since structural transformation demands sacrifices of every government in the world.

The MSZMP general secretary said that he expects that the party congress will be held in September; the Central Committee will decide on the precise date 23 June.

The opposition roundtable representatives look forward to the future talks with cautious hope—at least this is what Gyorgy Szabad, who represented them, said. He emphasized: Representative democracy can be created only on a basis of agreement.

Opposition Spokesman Remarks

*LD1306185589 Budapest Domestic Service
in Hungarian 1500 GMT 13 Jun 89*

[Speech by Opposition Spokesman Imre Konya at the opening session of roundtable talks between the Hungarian Socialist Workers Party and the opposition held in the Huntmen's Hall of the National Assembly in Budapest—live]

[Excerpts] Esteemed Mr Chairman,

Ladies and Gentlemen,

Constitutionally, Hungary has belonged to the Hungarian people for a thousand years. This fact is not changed by the circumstances that in the course of its history the people hardly had the chance to dispose of its own property as its owner, as free citizens, even though from time to time it attempted to take possession of that which belonged to it. Aware of our historic responsibility and in line with the agreement which we have reached with the Hungarian Socialist Workers Party [MSZMP], opposition roundtable, have come here to begin substantive talks with MSZMP representatives, who in fact possess political power, and with delegates of other organizations invited by it.

We state that the purpose of the negotiations is to assure a peaceful transition from a dictatorial system of rule to representative democracy genuinely manifesting the will of the people. In the course of the talks it is not our intention to share out power with the present owners of power. We do not want to partake of the exercise of power above the heads of the people, without asking the people. Our goal is that it should indeed be the citizens of our country who can and do decide whom, which political forces, they entrust with the exercise of power during the period from one election to the next.

For almost 200 years every Hungarian progressive tendency has been ultimately democratic. This is true from the reform opposition to the populist movements, from the radicals through the workers' movements to Christian Democracy. [passage omitted]

We must come to an agreement as to the conditions for a peaceful transition to democracy. Anyone with eyes to see and with intellect to make a judgement must recognize that it is not only the future which belongs to democracy but the present as well. We must now carry

Pozsgay Addresses West Berlin European Academy
*AU1306125289 Frankfurt/Main FRANKFURTER
ALLGEMEINE in German 29 May 89 p 5*

[Report by Jochen Winters on speech by Hungarian State Minister Imre Pozsgay at the European Academy of Berlin: "Human Rights, Civil Liberties, Multiparty System"; date not given]

[Text] Berlin, 28 May—The director of the European Academy of Berlin, Kraetschell, had hardly dared hope that such a bold idea could become reality. He had invited the Hungarian State Minister Imre Pozsgay, who has also been a member of his party's Politburo since last year, to deliver a festive speech on the occasion of the 25th anniversary of the European Academy of Berlin. Despite all difficulties, the reform-minded politician had driven by car directly from Budapest, traveling through the GDR. The 55-year-old Pozsgay was probably more surprised at the fact that the GDR authorities allowed him to cross the borders without any problems than at the lack of official welcome during his journey through the GDR: The old gentlemen of the GDR party and state leadership have had little respect for him for quite some time.

In contrast to that, Pozsgay was greeted with a great deal of approval and applause in West Berlin. Many who listened to him considered the fact that this communist reformer had come here, without visiting East Berlin, to speak about Hungarian reforms in the shadow of the Wall and to declare his support for the cultural and political values of Europe—above all tolerance, freedom, and justice—a great historic moment. They recalled the Berlin blockade, Khrushchev's ultimatum, the erection of the Wall, and all the suffering that had been inflicted upon them by ruling Communists since the end of the war, and they could hardly believe what a ruling communist was now saying about human rights, civil liberties, a multiparty system, social pluralism, and the development of a market economy. Contrary to communist tradition, Pozsgay spoke without notes. He did not have a manuscript, and he was very plain-spoken.

Opening of Borders

The Hungarian candidly advocated the opening of borders. Hungarian citizens do not have to look for escape routes if they want to get in contact with the world. Every Hungarian can obtain the newly introduced passport for the world, and travel wherever he wants to. For this reason, the decision was made to remove barriers along Hungary's Western border. It is not the Hungarian Border Guard's task to defend the border against Hungarians, Pozsgay stated, referring to the GDR, which does not at all approve of Hungary's measures. The state minister announced a Hungarian emigration law and stated that it would, of course, be painful if a Hungarian citizen decided to emigrate, but it would not be treason but an expression of human freedom. For this reason, it must be possible for him to return to the country.

Officially, Pozsgay's visit to West Berlin was a private visit. He was invited as a "European personality" who, "more than any other figure in the sphere of journalism, culture, and politics, embodies the will to overcome outdated structures of society that divide peoples, and to convincingly work toward the materialization of the vision of the 'common European home'," the director of the academy, Kraetschell, pointed out. The political significance of Pozsgay's appearance in West Berlin, however, increased by the talks with Mayor Momper and opposition leader Diepgen—must not be underestimated.

With its reforms and the renewal of the country, Hungary wants to "buy an admission ticket to Europe," the state minister, who is responsible for coordinating Hungary's reform policy, stressed at the European Academy of Berlin. His country wants to enter the "common European home" by way of the stage of "central Europe." This intermediate stage means a lot for Hungary in connection with the finding that the peoples living in this part of Europe, who have suffered a lot during past disputes, cannot become a united entity at once but must first expand contacts with each other and establish closer ties.

Pozsgay painted a fascinating picture of Hungarian reforms during his speech. He spoke of the search for a new identity in view of the deep crisis of a political system that has basically not yielded any results during its 40 years of existence, and has never been accepted by the people. What is needed in Hungary now is the conversion of a Stalinist dictatorship into democracy, including political pluralism, a multiparty system, and a government that is legitimized by the people. The reforms must lead to a social order that works, which allows the people to develop their own identity, and makes it possible for intellectual forces, the economy, and production finally to unfold. This was the most radical rejection of "real existing socialism" that one can imagine.

Pozsgay said that in recent European history there have been examples of dictatorial systems changing back into democratic ones. However, there is no model in history where a Stalinist-type system has been transformed into a pluralist democratic constitution in a peaceful way. Hungary is now trying to change a tyrannical Stalinist rule, which has absorbed all functions of life and has virtually taken a sacred shape, into a law-governed state with all legal guarantees for the citizens, and with functioning democratic institutions. Thus, everything that is taking place in Hungary and in other Eastern European countries is unique and unprecedented, Pozsgay said. However, the international situation—the return to a policy of detente and the fact that in the USSR and in China reform movements have gained the upper hand—are favorable for attaining the "replacement of the old model" that Hungary is aspiring.

China as Example

Pozsgay believes that the current developments in China are confirming his view that this replacement of the old model can be achieved in Hungary in a peaceful way. "The

current events in Beijing are encouraging for us, even though they may give the impression of a rebellion, and even if they appear to be chaotic, because they most consistently prove one thing, namely that a forceful solution against the desire of the people and of society is no longer possible, and can no longer be possible." Pozsgay said that he does not believe that there will be another Russian intervention in Hungary. Gorbachev is busy enough with difficulties at home and, moreover, he has clearly said the "Brezhnev Doctrine" is no longer valid.

According to Politburo member Pozsgay, the socialist experiment, which has brought about dictatorial Stalinist patterns in Eastern Europe through the degenerated exercise of power and distorted structures, is passing through a crisis everywhere. This crisis can be overcome only by changing the structures and replacing the old model. Hungary has drawn this conclusion from its own development. All attempts of bringing about reform have failed to date because the political structures have always remained the same. With regard to Western concern that Hungary is rushing its reforms and focusing too much on political changes instead of first increasing its economic output, Pozsgay said that without radical and consistent political reform there is no hope for economic development. Thus, the most important institutional changes have to be carried out first.

Pozsgay mentioned the initial steps of political reform in Hungary, the adoption of the law on association, which is to give the citizens the right to freely form coalitions, and the corporation law, which is to provide business and capital the possibility to become active in Hungary. Central to the draft of the new constitution is the respect for and the guarantee of human rights and basic liberties, as well as the strict separation of the legislative and executive powers, as well as judicial autonomy. He said that a party law was being prepared, one which will bring about a multiparty system in which differing parties will be able to engage in fair competition. There will be free elections, which might even cause a situation where the party that has been in power up to now will no longer be able to maintain its power.

In a subsequent address to members of the Berlin Press Club, Pozsgay pleaded for freedom of the press and the freedom to openly and publicly discuss socialism and its degenerated dictatorial form. The term socialism has to be reconsidered, he said and added quite frankly that he did not consider the division of his party as a disaster. There is a majority of reformers in his party and one can easily do without the conservative dogmatists. The Hungarian Politburo member does not contradict the thesis that a reformed Hungarian Communist Party would ultimately be identical to a Western-style social democratic party.

Those who listened to Pozsgay in West Berlin were asking themselves what would happen if the Socialist Unity Party of Germany [SED] were to follow the

example of its Hungarian "fraternal party?" The SED would become a social democratic party and it might be possible to overcome the division of Germany.

Pozsgay on Political, Economic Reforms

*AU1006164589 Hamburg DIE ZEIT
in German 9 Jun 89 p 14*

[Interview with Hungarian State Minister Imre Pozsgay by Haug von Kuenheim and Theo Sommer: "We Start Again at Point Zero"; place, date not given]

[Text] DIE ZEIT: Mr Pozsgay, as a Hungarian state minister and member of the Politburo of the Hungarian Socialist Workers Party (MSZMP) you granted an interview to Radio Free Europe and in it stated that communism cannot be reformed. What is happening in Hungary?

Pozsgay: A reform is being carried out in Hungary; a radical change, a complete change of models. I said in the mentioned interview that the communism achieved by Stalin cannot be reformed. Our society is not motivated to carry out real actions and achievements, the profitability of the capital is slowed down, and there is neither cooperation nor solidarity among the people; instead everything has been replaced by bureaucratic coordination. This state communism cannot be reformed. It does not have any more reserves. This was what I meant in my interview.

DIE ZEIT: The old model is Stalinism. What should be the new model?

Pozsgay: We have to leave the dead end road and go back to the starting points. Our objective should be democratic socialism, while using the institutions of European political culture and Western political techniques.

DIE ZEIT: Is "democratic socialism" and social democracy the same?

Pozsgay: Considering the order of values of social democracy and European civilization, I also understand social democracy by it. However, in my opinion, democratic socialism is in the first place a negation: the negation of the arrogant missionary zeal which characterized the communist parties for a long time and with which the party exercised a strange pedagogical function and regarded the people only as educational subjects. For in this case a Jacobinic intellectual elite rules the whole society from above. Stalin's example demonstrated that this could not be continued on an intellectual basis for a long time.

DIE ZEIT: The old model was the dictatorship of the proletariat on the one hand and centrally planned economy on the other. Is the new model pluralism and the market?

Pozsgay: Yes, pluralism in politics, market in the economy.

DIE ZEIT: Pluralism within the party or pluralism of the parties?

Pozsgay: The Hungarian model has the pluralism of the parties in mind. However, the Socialist Party has also achieved a kind of pluralism within its own ranks: It has already recognized the legitimacy of several platforms.

DIE ZEIT: Pluralism of the parties could mean that your party will be voted out of office in free elections.

Pozsgay: Yes, if it were to be in the minority after elections and were to be incapable of forming the government, it would be prepared for these consequences. At the same time, however, I want to make it clear that the MSZMP is certainly not striving for defeat.

DIE ZEIT: However, if you were to suffer a defeat, what about the party's leading role?

Pozsgay: We have stopped to talk about it long ago. The party is rather following the people's demands. The people have already achieved the turn, the change—it is high time for the party to follow them.

DIE ZEIT: Will the party surrender its leading role to the people?

Pozsgay: Yes. The time has come for the party to be legitimized by the people, not by the theory of its omnipotence and omniscience.

DIE ZEIT: In this case you will need a new constitution, a new parliamentary construction, and a completely new legal structure. You will start at point zero.

Pozsgay: Yes, we will start again at point zero. This is new construction, not only restructuring.

DIE ZEIT: Perestroyka means restructuring in Russian.

Pozsgay: Yes, I know. Pluralism existed in Hungary until 1948. That is, our new construction is not completely without antecedents.

DIE ZEIT: The antecedents are those of bourgeois democracy.

Pozsgay: Yes, the values of bourgeois democracy which belong to the technique of freedom which I mentioned in the beginning.

DIE ZEIT: Have the last 40 years been a big mistake?

Pozsgay: Yes, it was a big mistake to adopt the Stalinist model in 1948/49, without making any distinction between Hungary and the Soviet Union. I do not mean that no values have been created in Hungary during the past 40 years, and that there were no regulations. However, if all this happens in an open, democratic system, progress is even larger and even more significant.

DIE ZEIT: Which structures of these 40 years could be saved and would be worth retaining? Which parts from the old building could be reused in the new building?

Pozsgay: To answer this question, I must go back to the pre-war period: At the turn of the year 1944/45, a revolution took place in Hungary, by which an anachronistic old structure was destroyed. The land reform resulting from it must at any rate be retained as a basic value of our system. The cooperative movement is also such a value as a form of enterprise in which individual initiative and collective thinking have jointly produced and created something. You cannot compare our cooperative system with the Soviet kolkhoz system. I would also consider the democratization of the educational system as such a value—education as a basis of new qualities and as an opportunity for all sections and all classes of society to rise to higher positions. Finally, I would also retain as a value the way of thinking that is oriented toward interests and at the same time differentiates between various interests—the way of thinking in which the various groups of society have articulated themselves since the beginning of the sixties. These are the elements from the old building that we could use for the new building. However, we must check each brick to see whether it is really suitable.

DIE ZEIT: In what stages will the new building be set up? When will you have the roofing ceremony?

Pozsgay: To begin with, the foundation walls have to be built—and that is the building of the state. I am confident that we will be able to have the roofing ceremony in June of next year.

DIE ZEIT: Would that be the first elections?

Pozsgay: Yes, they would be the framework of the whole structure, so to speak. Then the assembly work would begin, the real construction work, and the apartment would have to be furnished.

DIE ZEIT: But the apartment would be furnished very much in the taste of the owners who were elected to power, would it not?

Pozsgay: Yes.

DIE ZEIT: So you do not know today in what taste it will be furnished afterward?

Pozsgay: No, I cannot know that today. Nor would I like to dictate it, because then we would have returned to the dictatorship that we are about to abandon.

DIE ZEIT: Your party general secretary has said that the Communist Party should remain in power for another 5 years.

Pozsgay: Here our opinions differ. I accept the thesis in principle that the Communist Party, more precisely, the Hungarian Socialist Workers Party [MSZMP], should

remain in power. However, I do not think that a Polish solution involving certain quotas that are fixed for the parties in advance, is right. The party must renew itself and must reorganize itself in a way that enables it to attract the majority of votes. That should then be decided in free elections.

DIE ZEIT: Is one of the indispensable building principles the separation of the party and the state?

Pozsgay: Definitely. Otherwise, transition to a multi-party system would be impossible. In this respect, the MSZMP has already made important steps. The party's most important decision in my view was to abolish the nomenklatura, the list of posts held by the party.

DIE ZEIT: Will a second building principle be the separation of the party and the economy?

Pozsgay: Yes.

DIE ZEIT: Now you must implement your political reform amid a serious economic crisis. Some people in your country say that political change will in the end lead into a dead end, unless it is accompanied by economic change. A critic says that "political change without economic change only gives us the freedom to criticize what we cannot change."

Pozsgay: That is an entirely wrong approach. The basic question much rather is how to free the economy of the chains of extra-economic constraints. In Hungary we do not have a transition from a dictatorship to democracy, as was the case in Greece and Spain where there was a real and functioning market economy even during the years of dictatorship, during the years of suppression.

Some people are now calling for economic reform first: what kind of an economy is this in which they desire this reform? The essence of the Stalinist structure consists in the fact that there is no real economy, no real market, and no real money. Politics swallows all walks of life, including the economy. It makes property an abstraction of the state and abolishes it. Competition ceases to exist, there are no competitors. What remains is a distribution system, which leaves everyone jealous. Thus, the civil society is practically abolished, citizens are turned into subjects and are classified into a mutually dependent hierarchy. The necessary cooperation among producers is thus eliminated and replaced by bureaucratic coordination. Where then is the element that can be reformed in this economy and can be developed in parallel with political reform?

That is precisely why our chronology is the only correct approach: At first we must free the entire structure from their political chains, the political handcuffs.

DIE ZEIT: There is an undisputed connection between political reform and economic reform. In Moscow there are political reforms, there is glasnost. However, so far,

this reform has not considerably paid off for the citizens economically. Conversely, the Chinese have first liberalized their economy, but have changed nothing about the political mechanisms. Now the boiler has exploded, and they have once again brutally suppressed the aspirations for freedom. How can these different dangers be avoided?

Pozsgay: We have tried it all. However, in Hungary a certain communication between the power and the people, between the power and the society has never entirely broken off, not even during the darkest years. Therefore, I hope that we will be able to discuss with the people in a businesslike way that such a transition also has its price. It will not be possible without sacrifices. However, since the people must pay the price, they must at least have the freedom to decide to whom they are going to pay. Certainly not to the existing clique; then the matter would change into open revolt.

DIE ZEIT: This means that you are promising the people a long haul for the time being.

Pozsgay: Yes, 2 or 3 lean years. However, the people would not accept this from everybody. Therefore, we must pursue an open policy, and therefore, we need authentic politicians in the leadership.

DIE ZEIT: That means practically that you must abolish subsidies to restore the financial soundness of the state budget.

Pozsgay: Yes, the subsidies must be abolished; they must at least be cut back considerably.

DIE ZEIT: When subsidies are abolished the real income decreases, prices rise, and unemployment probably also rises. Do you believe that the people will support the reform nevertheless?

Pozsgay: Yes, that is what we believe. However, it is clear that in an articulate society with open structures you can find various conditions to come to an arrangement with the various groups. For instance, I do not believe that it is necessary to generally announce to all social groups now that they must tighten their belts. In the next phase, there must already be certain groups who profit from the development. So, the people who actively contribute to innovation in the entire economy must already feel a favorable development in their standard of living. Those who participate in or help set up small or medium-size enterprises by investing their own capital, must also profit. Generally, we must promote the development of medium-size enterprises.

On the other hand, we must put up a very closely knit and well considered social network to protect those social groups and sectors that are now in danger of falling. They include primarily the old people who have become increasingly poor. But they also include the very young people who are starting their careers and who must be well educated and well trained in order to have

an opportunity for financial improvement. Unemployment will certainly be structural unemployment, because qualified labor is still much in demand.

DIE ZEIT: Do you see the danger of a counterreform?

Pozsgay: In principle, this would be possible. However, under the current conditions on Hungarian soil the triumph of counterreform is impossible for many reasons.

DIE ZEIT: Thirty-three years ago the counterreform was brought to your country by Soviet tanks. What limits do you see imposed on you by the membership in the Warsaw Pact and CEMA? In April PRAVDA plainly warned the Hungarian party against abolishing socialism.

Pozsgay: Basic changes have taken place in Europe and also within the socialist countries since 1956 and 1968. The most important new factor is, without doubt, the course of glasnost and perestroika and the attitude and views of the leadership around Gorbachev in general. I am convinced that they are leaders who know exactly that Hungary does not want to abolish socialism—unless one equates socialism with the constant shortages and lack of goods, with unmotivated, inefficient activities, with a decline of economic growth. However, if one does not equate socialism with mass poverty and lack of freedom, one need not fear anything. We want to get rid only of these things.

Of course, in such a situation there are also certain foreign policy traditions that have to be taken into account. Most important, perhaps, is the fact that a general process of detente has started all over the world. Europe is still an explosive place. For the Soviet Union the countries here that are its best friends and best neighbors are the ones that build their own development in a sovereign way and in line with their own ideas.

There are two thresholds that the Hungarian reform must not cross: First, Hungary must not come to a state of civil war, because this would endanger and destabilize the entire European area. Second, Hungary must not take unilateral initiatives so as not to disturb the European balance and the alliance systems.

DIE ZEIT: Thus no withdrawal from the Warsaw Pact as in 1956?

Pozsgay: No.

DIE ZEIT: Unless the alliances dissolve in the course of the general development?

Pozsgay: I hope that this development will take place. There are certainly good chances that the development will proceed in this direction.

DIE ZEIT: If you look ahead to the year 2000—what will Hungary be like in 11 years?

Pozsgay: Even though I always speak my mind frankly, I would prefer to be very careful regarding this question. However, I can certainly imagine that Hungary will be a democratic constitutional state, which uses its democratic rights and opportunities in a sovereign way; that it will be able to solve its economic problems with the active participation of foreign capital, but in a sovereign way; that until then it will have embarked upon a solid, irreversible course of growth; and that it will be a society that already suffers from the difficulties of freedom instead of from the malice of dictatorship; and, not least, I think that the people will prove their ability to rule themselves.

DIE ZEIT: How should the West, how should we in the FRG, help so that the reform process, which we wish success, is indeed successful?

Pozsgay: From the political viewpoint you could help us by continuously keeping the Hungarian reforms in the minds of the public. Europe has to know that Hungary has accepted a role that goes far beyond its geographic size. Because if the Hungarian experiment succeeds, this will provide new opportunities for the entire European system.

From the economic point of view, we need not so much financial aid but investments by enterprises in three fields of the national economy:

The first field is the contribution of active Western capital into existing large enterprises and turning them into joint ventures or other forms of enterprises. In this case, the state accepts guarantees that the invested capital can be withdrawn at any time and that the profits can be transferred in freely convertible currencies.

Second, we need loans to establish a strong and efficient stratum of small and medium-sized enterprises—with the strict regulation that these loans must not be used to fill in financial gaps in the state budget or to repay debts. Crisis management and servicing of debts should be the business of the National Bank.

The third field involves preparations to make the forint convertible.

DIE ZEIT: What will Europe be like in the year 2000—all of Europe? Will the Wall or the Iron Curtain still exist? Will there be a German problem? Will there be an East Bloc?

Pozsgay: To begin with the latter aspect: I do not think that there will be an East Bloc in the year 2000. I believe that a united Europe will be reality by the turn of the millennium. I could imagine that Hungary will be an associated EC member. I fully share the vision of a "common European home." There will be no Iron Curtain, neither on the Hungarian nor on the Czechoslovak border with the West. As you see, I am approaching the German problem very slowly and very vaguely. I must say that I do not know what will happen until the turn of the millennium. But I know what I would wish. I would

wish that the Wall did not exist any more by that time. I would wish that the people of the two German states could freely communicate with each other.

DIE ZEIT: In Budapest by the year 2000, will there be an Imre Nagy street or a square carrying the name of the prime minister who was executed in 1958?

Pozsgay: Definitely.

DIE ZEIT: Maybe even this year?

Pozsgay: I do not know. However, there is every indication that in addition to the juridical rehabilitation, the political rehabilitation is inevitable. I personally think that a judicial murder was committed in the case of Imre Nagy.

DIE ZEIT: Hungary is the first socialist state to start tearing down the Iron Curtain. Now the work has been suspended for lack of money. Is this typical of the situation in your country?

Pozsgay: Yes, absolutely typical. In order to solve this problem, which is really only a financial problem, I would have no objection if some good Western businessmen were ready to dismantle the Iron Curtain on their own account. In that case they could sell individual parts as souvenirs—like relics from Christ's cross.

DIE ZEIT: Formerly, after a monarch's death people used to say: "The king is dead, long live the king!" Could your position be reduced to the formula: "Socialism is dead, long live socialism"?

Pozsgay: With a minor modification: Stalinism is dead, long live socialism!

Soviet Military Unit Departs Szombathely 12 Jun
LD1206164289 Budapest MTI in English
1459 GMT 12 Jun 89

[Text] Budapest, June 12 (MTI)—There was a farewell ceremony to mark the departure of a Soviet military unit stationed at Szombathely, a town in western Hungary, on Monday.

Tibor Elek, chairman of the town council, said, 'the pulling out of Soviet troops from a 100 km stretch of the western frontiers of Hungary is of historic importance.' Then he presented the commander of the Soviet unit with various souvenirs, including a pocket-size model of the liberation monument in Szombathely.

Major Sergey Petrov, political deputy of the commander of the unit, told MTI that the Mechanized Infantry Regiment, which has been stationed in Szombathely since 1958, is not to leave the country for the time being. They are to move to Debrecen. The withdrawal is to be completed by June 23. The living quarters and 230 service flats will be given over to the Hungarian People's Army.

Joint Committee With ROK Reviews Economic Ties
AU1206121289 Budapest MTI in English
1847 GMT 7 Jun 89

[Text] Budapest, June 7 (MTI)—The session of the Hungarian-South Korean Joint Committee ended on Wednesday with the signing of a protocol. In the course of talks Zoltan Gombocz, secretary of state at the Ministry of Trade, and Yi Tong-ho, South Korean deputy minister of Finance, the co-chairmen of the Committee, reviewed the commercial and economic relations set up between the two countries to date, the interstate agreements, and the opportunities of economic cooperation.

Relations between the two countries show a dynamic development, as was reported at a press conference held following the signing ceremony. The trade and economic cooperation agreement has been in force since February 1, 1989, which can be clearly seen also in the development of trade: In the first four months of the year, Hungarian companies exported to South Korea in a value of 3.5 million dollars, imports from there were valued at 6.4 million dollars. Exports in the first four months are almost three-times higher than in 1983, imports 60-times more.

The Joint Committee session also discussed the assembly of cars, production of television picture tubes, and the building of hotels in Hungary, in joint venture form. Two South Korean banks are to open branch offices in Budapest in the course of the year.

Israeli Economic Delegation Visits, Holds Talks
TA1106115589 Jerusalem Domestic Service in Hebrew
1100 GMT 11 Jun 89

[Text] Members of the Israeli economic delegation visiting Hungary made dozens of deals with their Hungarian colleagues. The delegates held hundreds [as heard] of meetings with government officials and with Hungarian businessmen. Our correspondent Gadi Sukenik reports that tomorrow the delegation will leave for Poland.

[Sudenik] Two of the delegation heads—Dani Gillerman, Chambers of Commerce president, and Moshe Zanbar, chairman of the Bank Leumi board of directors—participated in a large economic convention in Moscow, where they conversed with senior members of the Soviet financial establishment. The two also took messages to the Soviets from Israeli Government elements.

develop in accordance with imports from Austria, Hungary's Trade Minister Tamas Beck complained. The outspoken minister stated that economic relations between Hungary and Austria "have by far not reached the level of political relations which are considered exemplary."

Beck openly stated that within the framework of the new geographic orientation of Hungary's foreign trade and its new openness to the world market, above all to its traditional partner Austria, the expansion of institutional relations with EFTA [European Free Trade Association] would be desirable and useful. [passage omitted]

New Joint Enterprise Founded With United States

AU0906085989 Budapest MTI in English
1306 GMT 7 Jun 89

[Text] Budapest, MTI, 07/06/1989—The first US-Hungarian securities trading company was founded in Budapest on Wednesday with a starting capital of 525 million forints, shared equally by the founders.

On the US side, the investors include companies with interests in a New York-based firm, and on the Hungarian side the Termin Financial Consulting Group.

The Hungarian-US broker firm intends to take part in the establishment of a stock exchange in Hungary. They also propose to recruit and involve Hungarian private capital in business transactions.

When the Hungarian exchange is in operation, the joint venture intends to act as dealer for US clients, mediating the sale of Hungarian company shares.

Radio Free Europe 'Wishes' Office in Budapest

AU0906095589 Budapest MTI in English
0852 GMT 8 Jun 89

[Text] Budapest, June 8 (MTI)—Radio Free Europe (RFE) wishes to have a representative accredited to Budapest and to open offices here. There is no obstacle to this in principle, and its implementation is already in progress, Jenő Szombath, deputy director of the Press Department at the Hungarian Ministry of Foreign Affairs, told the Thursday issue of the daily MAGYAR HIRLAP.

An open information policy is in the country's interest, and we do not make a distinction between RFE and other news services. The final document of the Vienna follow-up meeting went a step further than the Helsinki Final Act when it set down in point 39 that journalists can neither be expelled nor punished for legally carrying out their profession. In addition, signatories have agreed not to hinder journalists' activity either for the contents of their own reports or for those of the news company they work for.

Improving the working conditions of foreign journalists should be made a long-term element of Hungarian foreign policy, since journalistic activity is an important element in the assertion of human rights, set down in the third basket of the documents. This is why we advocate at all international forums the need for international openness, Mr Szombath pointed out.

CSSR Envoy Views Bos-Nagymaros Construction

AU0906092489 Budapest MTI in English
1808 GMT 7 Jun 89

[Text] Budapest, MTI, 07/06/1989—"The construction of the Gabčíkovo-Nagymaros barrage is a clearly scientific issue, the solution of which is the task of scientists", stressed Czechoslovak Ambassador Vlastimil Ehrenberger, at a forum on Hungarian-Czechoslovak relations, held on Wednesday in Budapest, in the Political College of the Hungarian Socialist Workers Party [MSMZP]. According to the ambassador, scientists are capable of solving the problems related to the construction of the power plant, taking the current technical standard into consideration. In his view, the barrage construction should not be turned into a political issue, only the numbers, scientific arguments and laws can have a say in this issue.

The ambassador, who participated in the recent talks between the Hungarian and the Czechoslovak prime ministers, said that at these talks, the Hungarian side mentioned seismographical and ecological problems, and profitability problems in connection with suspending the further construction of the complex. Mr Ehrenberger said: They are not familiar in detail with the new scientific arguments that justified to suspend the construction, but the Czechoslovak scientists are ready to examine the material together with their Hungarian colleagues. In conclusion, the ambassador said that if the contract for the common construction of the barrage is not observed, Czechoslovakia would request compensation, as would, according to its information, Austria.

Pozsgay To Establish New Movement, Social Model

AU0906093589 Budapest MTI in English
2006 GMT 7 Jun 89

[Text] Budapest, June 7 (MTI)—"What is needed is to create a new social model, as the political, power and economic order of dictatorial socialism has become bankrupt. The squandering of the forces of advance, and the continuous deterioration of the living circumstances meanwhile, offers a scope of movement for the extremist groups. The various forces of pro-order dictatorship and revenge are threateningly present, and can strengthen," Imre Pozsgay stresses, among others, the appeal made public on Wednesday in Budapest, at the session of the preparatory committee of the Movement for Democratic Hungary. The movement wishes to rally people who accept the rise of the nation, European progress and democratic socialism together, irrespective of their party

standing or membership in organizations. The movement awaits all who reject marking time and roll-back, who accept that a democratic road has to be taken to create a democratic Hungary. The movement is expected to hold its founding session within one month.

Imre Pozsgay, member of the Hungarian Socialist Workers' Party Political Committee and minister of state, stressed at the session of the preparatory committee:

"All sober political forces in our country are alike in that a renewed, democratic Hungary is needed, and that this should be attained on a peaceful road, with an anti-catastrophe policy. The movement needs members who feel responsibility for a democratic Hungary, who firmly take a stand for peaceful transition, who support the change in model, as according to some people there is a chance to create a group in politics in the old fashion, by exploring its reserves. This would pose a danger to transformation, would promote roll-back, and this is what contemporary Hungary needs least of all. The fundamental goal is to create a new statehood, democracy and constitutional state, and to organize free elections," Mr Pozsgay said, among others.

Members of Parliament Consider Defense Budget
LD0706224389 Budapest MTI in English
1434 GMT 7 Jun 89

[Text] Budapest, June 7, 1989 (MTI-ECONEWS)—The Hungarian Government intends to sell off barracks and other buildings which become empty as a result of the withdrawal of part of the Soviet troops stationed in Hungary.

The government is counting on a budget income of 1 billion forints from such sales, Ministry of Defence officials informed members of the parliamentary Defence Committee.

The MPs [Members of Parliament] wanted to know how the 100 million forints owed by the Soviet Army to Hungarian electric power supply companies will be recovered.

At the meeting, the MPs pointed out that the Army still considered itself in a state of "intensive development" when it came to the issue of what consequences the cutting of the military budget might have.

This year, Hungary is to cut down on military expenditure by 3.7 billion forints as compared to the amount the state budget approved last year.

It was also announced at the Defence Committee meeting that the effective professional and civilian force of the workers' militia will be reduced by 30 per cent by September. (The workers' militia was set up in 1957 as the HSWP [Hungarian Socialist Workers Party]'s armed force, but was placed under government supervision in 1989).

The body is now seeking to work out a solution whereby the workers' militia can be transformed into an armed force equivalent to a voluntary militia of the Hungarian People's Army. The armed body is trying to make up the 100-million-forint loss which came about with the cut in state budget support, through renting out its camps and vehicles.

Shooting Incident Reported at Romanian Border

AU1206113489 Budapest MTI in English
1759 GMT 9 Jun 89

[Text] Budapest, June 9 (MTI)—Colonel Sandor Barna, chief commissioner of the Csongrad county police, told journalists on Friday that on June 4, Sunday, at dawn separate and serial shots were heard and the light of signal rockets seen in the vicinity of Nagylak on the Romanian side of the border. This was observed by both locals and frontier guards who, in Hungarian territory, rushed in the direction of the shooting. They saw Romanian frontier guards chasing and surrounding three persons in civilian clothes, including a woman. None of the shots violated Hungarian territory. On June 8, Thursday, in the same region a Hungarian fisherman found a girl's body in the Maros River, pulled it out to a sand island and notified the frontier guard. As the island belongs to Romania, no Hungarian police investigations can be carried out there. On Friday morning the Romanian authorities examined the body in the presence of the Hungarian frontier officer. Although they found no traces of gunshot on the body, the child's ear bled because of a head injury caused by a blow or a shock. No connection was revealed between the two events. The Romanian authorities denied to have captured people, stating that what the eyewitnesses saw from the Hungarian side was an exercise to arrest presumed terrorists.

Nemeth, Szuros Plan To Attend Nagy Funeral

LD0806204589 Budapest MTI in English
1154 GMT 8 Jun 89

[Text] Budapest, June 8 (MTI)—Matyas Szuros, president of the Hungarian National Assembly, and Miklos Nemeth, chairman of the Council of Ministers, are to represent parliament and the government at the June 16 funeral of Imre Nagy and associates, all unlawfully executed after 1956.

Agreement to this effect was reached between representatives of parliament, the government and the Committee for Historical Justice in the parliament building, Budapest, on Thursday morning. The meeting was attended by Matyas Szuros, Miklos Nemeth and, on behalf of the Committee for Historical Justice, by Miklos Vasarhelyi, Imre Mecs, Andras B. Hegedus and Arpad Goncz.

Supreme Court Asked To Invalidate Nagy Ruling

LD0906132189 Budapest Domestic Service
in Hungarian 1000 GMT 9 Jun 89

[Text] We have just received news that the supreme prosecutor has submitted a protest on legal grounds regarding the case of Imre Nagy and his martyr associates, and he asks the Presidential Council of the Supreme Court to invalidate the illegal verdicts and to acquit Imre Nagy, Ferenc Donat, Miklos Gimes, Zoltan Tildy, Pal Maleter, Sandor Kopacsi, Jozsef Szilagyi, Ferenc Janosi, and Miklos Vasarhelyi.

On the basis of investigations, the Supreme Prosecution has ascertained that the authorities dealing with the case at the time severely and in sequence violated the then valid regulations of the rules of court. They limited the accused's rights of freedom and defense. The prosecution almost exclusively gathered and utilized data considered incriminating. They refrained from gathering evidence that would disprove guilt.

The accusation was unfounded and illegal. Further, the prosecution against the case of Imre Nagy and his associates was not necessary because the verdict does not contain any statement at all which would correspond to the criterion of any kind of crime defined by the then legal regulations.

The documents, which were recently obtained from Yugoslavia, prove that in November 1956, the Hungarian Government gave a written guarantee to Imre Nagy and his associates who were staying at the Budapest Yugoslav Embassy stating that they were not going to make any kind of reprisal against them. Personal immunity based on international law should have been given to those who were later sentenced, which, even according to laws at the time, would have been the obstacle to their being punished.

Pozgay Interviewed on Imre Nagy's Legacy

LD1006194389 Budapest Domestic Service
in Hungarian 1400 GMT 10 Jun 89

[From the "168 hours" program; Akos Mester interview with Imre Pozgay, Hungarian Socialist Workers Party Central Committee Politburo member; date, place not given—recorded]

[Text] [Announcer] What is the value of the spiritual legacy of Imre Nagy and his fellow fighters today? What is valid in the example of their lives? Imre Pozgay is interviewed by Akos Mester.

[Mester] I acknowledge that the question with which I begin this conversation is oversimplified in view of the complexity of the answer that it requires. How do you see Imre Nagy's historical role?

[Pozgay] Indeed, this is a very difficult question to answer, probably because we lack the necessary knowledge. But perhaps even more difficult because what happened to him burdens the conscience of a whole age and it is now that we are trying to face up to the facts. I am certain—and for this no particular research is needed—that in 1953 he was the first statesman in Eastern Europe to take a truly determined step toward the dismemberment of the Stalinist structure, its destruction. He was the one who through his own fate experienced the consequences of the so-called roll-back; and I am sure that at the time of the 1956 popular uprising, too, he fought for the creation of a free, independent, and democratic Hungary, in line with the same reform spirit and also under the pressure of the popular uprising.

Taking these facts into consideration, and also weighing all his political acts, one can only reach one conclusion, namely that we owe him justice. It is unavoidable to give him justice; and this is what will take place on 16 June at the funeral ceremony.

Although the funeral of Imre Nagy and those who shared his fate is organized by an independent organization—the Committee for Historical Justice—and the families, this event on 16 June will be a matter for the nation, the end of a historical period. Perhaps the momentum of self-purification will also be involved and we hope that it will bring about national reconciliation.

[Mester] Yes, but can we close a historical period when in the weeks before the funeral there are opposing camps which try to claim Imre Nagy, as a historical personality, as their own?

[Pozsgay] This is something that generally happens to historical personalities. This is true because his life and his life's work carry values from which everyone would like to benefit. I would only regard this as a problem if this would once again be a cause for opposition and a continuation of the trials, if it were to give rise to rancor, or if it were to increase the dangers besetting the country. However, I believe that with the exception of the extremists—people who are also confused in their attitudes to themselves—the majority's will, the fundamental will, is something different.

[Mester] The life's work of Imre Nagy and of those who shared his fate has a validity which is felt to this day. It is this which justifies the question: What do the lessons of 1956 mean in 1989?

[Pozsgay] First of all, that as early as 1956 all those important issues which occupy Hungarian society and public opinion today had been formulated. This includes all the criticism of the Stalinist type of dictatorial socialism, the demand for political institutions based on the new type of conscious and self-directed citizen, concerning civil society, the multiparty system, the political manifestation of pluralism. The lesson is that had it been possible to realize all this in 1956 and in the years before that, within the framework of an honorable political struggle, peacefully, then the popular uprising would have been avoidable.

If this is the lesson, then I believe that in organizing in 1989 for the solution of the very same basic issues it is possible to reach a peaceful transition, I believe that it is possible to create human cooperation and solidarity among Hungarians; that there will not be self-destructive, tragic, catastrophic events; and that, avoiding these, Hungary will solve its problems.

[Mester] Yes, but the mere fact that you have brought this up shows that there are certain analogies. According to many people, your public activities, your commitment to reform, strongly recall Imre Nagy's political approach.

So the possibility cannot be excluded that just like Imre Nagy, you too, even if in a different form, might become the victim of your own party.

[Pozsgay] This is not impossible either. A politician must think such things through as well, particularly if I accept what you have just said, namely that I regard what Imre Nagy did as one of the precursors of my own activities, even if this was not necessarily the motive force of my actions at every turning point. If I immerse myself in the study of this period, if I acquaint myself with Imre Nagy's initiatives, then I have to say that I can still identify with his goals. However, I hope that the fate will be different, because though it is beyond question that the majority in society agrees with me—I have been able to verify this in many ways—I have also found that if I can come into direct contact with the party membership, I can also persuade them of the truth of my ideas.

Nonetheless, there are also murderous passions in this country, the passions of a minority who have had the ground taken from under their feet but whose interests and groundlessness are tied to the institutional form which has long lost its validity—which we often call dictatorial socialism—with which the people never identified itself. Thus, even today these people tend to think in terms of force rather than in terms of politics. I know of such people. Nonetheless, I believe and my experience shows that they are in the minority, that they like to be with each other; and this is why they do not leave where they should have left a long time ago.

I know that it is like shouting in the wilderness to call upon these people to do this; nonetheless, I hope that they show some sense of reality and that they are isolated, for in reality they have never lived with the people, though they have never stopped speaking of the people. They have always spoken about the working class, they always cherish a working class mythology in themselves merely to claim some sort of intellectual foothold, while during the past 40 years the worker has never experienced that which they proclaimed. The worker never felt that he was in power, never felt that he had the possibility of self-determination. Rather, he always felt that they were misusing his name, the term "worker."

Well, this is why it is my view that it is not the use of the word "worker" which shows a feeling of solidarity with the workers but rather when someone also tries to act and tries to create a system where they can feel happy, where they receive scope for action and security of existence.

[Mester] So the exit from power of these people is only one of the preconditions for national reconciliation. I think that there are a host of preconditions for national reconciliation.

[Pozsgay] Yes, there are even bigger barriers in the way of national reconciliation than the stirring of such imbedded insects. The biggest barrier is the situation of the people, which is far from rosy. The situation of the people is extremely difficult; impoverishment is advancing at a rapid rate; the circumstances of life are deteriorating; people cannot protect even that which has been achieved, even with overtime and excess efforts. This is where I see the really great danger: That they will not understand that it is those who caused the great problems who are now referring to them in the name of curing the problems, that they will not notice that this decline of the country was caused by the functioning of the system of those who as the proud one-time possessors of posts think that they can once again become the saviors of the people. These savior of the people must be revealed to the people; it must be shown where they have come from and what they did during the past decades.

[Mester] In Hungarian public life the intention to improve things comes from various directions. The event on Wednesday where you were also present, as the number one person of a new movement, a movement which calls itself the Movement for a Democratic Hungary, was also perhaps one manifestation of this. I have already heard a number of contradictory views. One of them asserts that there is some sort of elitism involved here, another that it is a faction of whining intellectuals, while a third says that this movement is the beginning of the organization of a party split.

[Pozsgay] Let me start with the last of these points. I do now know the bogymen they call a party split. In a European political culture this is one of the most natural things and not something in the sphere of traumatology. But this was not what was involved here and now. Rather, it stemmed from the intention that among the political movements moving in different directions, having various intentions but possessing the will to improve matters, there should be one which can play a mediating role between the healthy, well-meaning large majority inside the Hungarian Socialist Workers Party and the various other parties, movements, and institutions, mobilizing people to create through peaceful means the reform, the new model to replace dictatorial socialism, a democratic Hungary. Somebody always has to formulate these mature necessities. But just this does not make it an elitist movement. On the contrary, its role is to create a link with the silent majority, which is endangered from many directions. I also have in mind that which I just spoke about, namely that without a genuine political orientation, the silent majority might come under the influence of the extremists and social demagogues, might become victims of misleading actions, whereas an open dialogue can turn society into mature citizens. It is in the joint creation of this maturity that we want to engage and not in a pedagogical campaign. This movement would also like to undertake to clear away of this previous all-knowing, omnipotent view of the party, this condescending and paternalistic approach.

[Mester] At the May party conference you concluded your speech by saying that there will be a Hungarian resurgence. Do you think that you now have more allies for this goal than you had in those days, in May?

[Pozsgay] I think so and my experience shows that. I am skeptical, very self-critical regarding my own abilities and possibilities. But I am optimistic regarding the situation. Hungary has never had such a good chance of bringing about a new statehood through self-determination, as a sovereign country; and through this new statehood, a new popular spirit and society.

Politburo Member Nyers Interviewed on Nagy Issue
LD1006231989 Budapest Domestic Service
in Hungarian 1400 GMT 10 Jun 89

[From the "168 Hours" program; Eszter Raday interview with Reszo Nyers, Hungarian Socialist Worker's Party Politburo member and minister of state; date, place not given—recorded]

[Text] [Raday] To the simple reader, it is striking how there is lacking a logic in the events. There is no logic that in November of 1956, Janos Kadar made a promise of inculpability. In 1957, he promised that the number of political prisoners would be reduced, and this was realized in part. And the real reprisals came in 1958.

[Nyers] At the beginning of 1957, Imre Nagy was offered participation in the government. Thus, talks of reconciliation were initiated. Imre Nagy was not willing to do this, owing to the armed character of the events, that Janos Kadar's men came into the capital with the assistance of Soviet troops, and then he disputed the legitimacy of the government of the time. That is why he was not willing.

[Raday] We already know, or perhaps we, or they, knew at the time that there was reason for dispute, for disputing the legitimacy.

[Nyers] Well, very few people knew that. Rather, the historical documents reveal that this is how it was. However, the statement of Janos Kadar at the time was also published in the newspapers; in this he indicated the possibility that Imre Nagy could enter the government. Thus, these political accusations were not voiced in this manner. Later, it was 1958 already, when these political accusations were voiced; of course in 1957 already, at the party conference, Jozsef Revai represented vigorously the political accusation that Imre Nagy had distorted policy in the direction of revisionism, and at the time this was a very grave accusation. Then, in 1958 it gained strength, in connection with their—the Imre Nagy Government—having espoused leaving the Warsaw Pact.

[Raday] You say that it gained strength, but this process obviously did not take place on its own. Weren't there people behind it?

[Nyers] Behind it were people, disputes, within and outside the country as well. It has not been fully researched, yet, but we know that Yugoslavia, the Soviet Union, Hungary, Romania, and China were the five countries which dealt most intensively with the Hungarian question from the end of October 1956 throughout, and who had a role in the Hungarian political events being viewed as an international issue, as well. However, the complete researching of this is still in progress.

[Raday] By the way, there is a series of entirely illogical things, here, which by all means raises the question of: If it was not the decision of the Hungarian Socialist Workers Party [MSZMP], of the party, which played a role in the sentencing of Imre Nagy's men, as Karoly Grosz, for example, said not long ago, then what played a role in it? Is it possible that it was not the decision of the MSZMP which played a role in it?

[Nyers] Please, politically, the MSZMP leadership by all means had to play a role in making the role of Imre Nagy the subject of an accusation. Regarding what kind of decision was reached, I do not dare say that the MSZMP influenced this. I am not acquainted with the development of the trial. It is only now that I heard, from a tape-recording, the trial's very short closing ritual. I did not know anything about it.

[Raday] Are you serious, that, as a Central Committee member, you knew nothing?

[Nyers] Nothing. The Central Committee was not informed of anything. Nor the other Central Committee members. We knew nothing.

So, regarding the MSZMP, of course it can not be said that it was outside the MSZMP, but the party-state here did not mean that judicial action and party action were organically interconnected. No. Janos Kadar carefully watched over this, so we did not know anything.

[Raday] But if not directly, for all that it could have been indirectly connected.

[Nyers] It could have been indirectly connected.

The historians who now are (?dissecting) the matter, in its preresearched condition, would be better at saying this. Isn't it so, you are asking that there must be something and someone who staged it. I as well say that there must be someone who staged it. It either was X, in Hungary, or abroad, Hungarians or foreigners in Hungary, or both. Nor do we know the distribution of roles.

[Raday] I am certain that Janos Kadar is perhaps one of the last who could say something about this.

[Nyers] Janos Kadar is the one who could say the most about this. Please; the following people had a role in it: before Janos Kadar—Khrushchev, Tito, and only after them Kadar, then Zhou Enlai and Gheorghiu-Dej. I

regard these as the five people—of course other members of the Soviet leadership were also involved—but these symbolize the international factor, concerning who had a role. They agreed that the Imre Nagy government could not hold its own on 2 November 1956. There are many statistics on this; memoires on this subject have also been published. It could not hold its own, so a very strong, counterrevolutionary, right-wing, and anti-democratic danger was appearing which was sweeping away this government, with everything it had, and this was dangerous for the socialist countries, it was dangerous for European peace and for Hungary, as well. That was the original decision.

Then, in the reprisals, this unity certainly broke down, but it is a complete mystery to me, and to my knowledge it is so to others, as well, how these international factors played a role in the decision in 1958. What we know is that Tito had withdrawn at this point.

[Raday] If it is a mystery; while disconnecting the Hungary party, can a Hungarian court be given a decision requisition, or instruction?

[Nyers] In principle a Hungarian court can not be given an instruction, it cannot be given one officially. In my opinion, it was not even given one which was officially written down. That is dead certain. There were, and are, informal relations. I cannot say what informal relations might have played a role here.

[Raday] You said earlier that as a Central Committee member and as a government commissioner with ministerial rank, you did not know....

[Nyers, interrupting] I resigned my position as government commissioner in March of 1957. Only until then was I in that position.

[Raday] Did you resign because you did not agree with something, or because you had completed your task?

[Nyers] I had completed my task, and there was a conflict, as well....

[Raday, interrupting] Was it a political conflict?

[Nyers] It was not directly political; rather, it in part concerned economic policy and in part it was also political.

[Raday] Surely you have found out that some members of the Committee for Historical Justice have lodged objections to your presence at the funeral, not because of your person, but because you were a member of this revolutionary workers'-peasant government which can be held responsible for the reprisals.

[Nyers] I do not have accurate information, but I was not a member of the revolutionary workers'-peasant government; only from 1960....

[Raday, interrupting] But your having been a government commissioner, doesn't that mean....

[Nyers] Yes, that did not entail membership in the government. To my knowledge, it was not raised in this manner, but that I was a member of the party Central Committee—and I really was. Please, I say that the Committee for Historical Justice, which is staging the funeral, has the right to adopt all kinds of positions, since it is their business. I cannot take a stand in this.

What is a question which generally arises in current Hungarian politics—and it is not that—is the question of who is the credible figure? I believe that there is very great confusion in this. And I oppose every stand in which valuable party or national politicians are proclaimed to lack credibility, because of earlier political actions or earlier political stands. The Rakosiite political leadership committed this mistake, in Hungary, in a very heavy, criminal manner. To commit this mistake in the spirit of democracy is as anti-democratic as that of Rakosi's men. In vain does one wave the flag of democracy.

It is necessary to free ourselves from this uncultured and antidemocratic tradition—and Hungary has had a long-standing tradition of this.

Grosz, Party Members View 'Looming' Split
*LD1006202689 Budapest Domestic Service
in Hungarian 1200 GMT 10 Jun 89*

[Text] Let all the party houses display black and national flags on the day of the burial of Imre Nagy and his companions. This was proposed at the Hungarian Socialist Workers Party [MSZMP] Gyor-Sopron county party conference. At the meeting, also attended by party general secretary Karoly Grosz, the delegates first approved draft standpoints on democratization in Hungary, on the talks to be begun with the opposition roundtable, and on the condemnation of the bloody events in China.

The standpoint in connection with the opposition roundtable highlights that, in the interests of the success of the talks, the MSZMP Central Committee should be more patient and responsible than before so that an agreement can be reached within a foreseeable time.

Laszlo Lakatos, first secretary of the MSZMP Gyor-Sopron county committee, said that a party split is looming; public opinion is blaming the party and the party members are blaming the Central Committee and its leaders for this.

Those participating in the debate referred to the contradictory statements made by members of the Politburo, which unequivocally indicate that there is no unity in the leadership. The participants in the conference called on the Central Committee to take steps in the interests of solidarity and warding off a catastrophe. At the party conference,

they supported the convening of a congress. The delegates urged that at the congress an elected Central Committee be the center of the political reform of the MSZMP.

Grosz Interviewed 9 Jun on New Social Groupings
*LD0906195389 Budapest Television Service
in Hungarian 1730 GMT 9 Jun 89*

[Text] Experts of the Hungarian Socialist Workers Party [MSZMP] and the opposition roundtable have agreed to commence substantive political negotiations. The document on commencing talks will be signed tomorrow. Three parties of equal standing will take part in these: the opposition roundtable, the MSZMP, as well as a joint delegation of the following organizations: the left-wing Alternative Association, the Patriotic People's Front, Hungarian Democratic Youth League, the Association of Hungarian Resistance-Fighters and Anti-Fascists, the National Council of Hungarian Women, the Ferenc Muennich Society and the National Trade Union Council. György Sebes asked the MSZMP general secretary about this:

[Begin recording] [Sebes] Without a doubt, the news of the day is that the supreme prosecutor has submitted a protest on legal grounds in the case of Imre Nagy and his associates. Since yesterday, we have known that a member of the Politburo—the prime minister—and a member of the Central Committee, speaker of the National Assembly, will, at the head of the delegation, place a wreath at the funeral of Imre Nagy next Friday [16 June]. How do you view these developments?

[Grosz] I consider this to be a natural and very important episode in the [word indistinct] reconciliation process, since Imre Nagy was president of the Hungarian National Assembly. Imre Nagy was also prime minister. Thus, it is natural that state leaders should pay tribute at the funeral. The paying of respects is an obligatory gesture on the part of all of us. We do it sincerely, from the depths of our hearts, and as we have become acquainted with the facts, we have had to recognize that all which we had believed for a long time was not proved and supported by objective facts. What has happened cannot be rendered into not having happened—but it is a moral and political (?duty) to give final respects.

[Sebes] The domestic political developments of the past days reflect the creation of new forums one after the other. On Wednesday, the Movement for a Democratic Hungary was founded. Tomorrow, the New March Front is preparing to turn into a free forum.

[Grosz] I did not know earlier that an endeavor like the Movement for a Democratic Hungary was being prepared, although it generally is an established practice in our country that if our party's political leaders take part in organizing such a grouping, the bodies are informed in advance. I, properly speaking, learned from the newspaper that this movement had been founded, and I do not know much about its objectives. From its appeal, I dare

Rainer Stefan, representative of the Austrian People's Party, and Janusz Rozek, representative of the Polish Peasant Solidarity, were foreign guests of the rally of the People's Party.

Pozsgay on 'Movement for Democratic Hungary'

*LD0806091389 Budapest Television Service
in Hungarian 1730 GMT 7 Jun 89*

[Text] [Announcer] The various forces of the order party dictatorship [as heard] and revenge are dangerously present and can become stronger. Among other things, this is what the draft appeal which was formulated today by the organizers of the Movement for a Democratic Hungary contains. This movement wishes to gather those people who undertake the national ascent, European progression, and the values of democratic socialism together. Laszlo Juszt reports from the founding session.

[Begin recording] [Juszt] What could this organization be called, to the founding of which you have just arrived?

[Pozsgay] I do not even know whether it is an organization or perhaps a movement, but the initiators have already given a name to it: Movement for a Democratic Hungary.

[Juszt] Who were the initiators? According to the news, you were the initiator.

[Pozsgay] I was also asked to take part in this movement but this was talked about first in Szeged, at the meeting of the reform circles.

[Juszt] Several people believe that this could be the core of a future party, too.

[Pozsgay] I do not necessarily believe that one always should think in the category of a party when gathering of political strength is carried out. Here, now, the force of reform are gathering regardless their party membership or ideological belonging.

[Juszt] So, do you reject the assumption that this is the basis of a future party?

[Pozsgay] I do not consider it impossible, but I do not think that this intention would have brought the participants of today's meeting together.

[Juszt] I read in MAI NAP [TODAY] that his new organization is to be founded for the democratic transformation.

[Szuros] That is right.

[Juszt] But there one such organization has already been founded, the New March Front. Do you not participate in that?

[Szuros] I take part in that as well, and also in this one.

[Juszt] So what is the difference?

[Szuros] Well, the situation is that I, as chairman of the National Assembly, have to exhibit unbiased behavior. I look and listen to this as well, I consider its objectives practical and correct. However, on Saturday, I will participate in the founding session of the New March Front, on Sunday, I am going to participate in the founding of the people's party, etc.

[Juszt] So, practically, you pay attention to everything.

[Szuros] The chairman of the National Assembly has to pay attention to everything.

[Juszt] Do you take part in any of these organizations as a member?

[Szuros] No, not as a member.

[Juszt] The appeal says that it is the founding of the Movement for a Democratic Hungary. Both you and Imre Pozsgay occupy a position in the government power in which, it is not only your possibility but, I think, it is also your duty to fight for democracy and for the constitutional statehood. In that position—that is, as minister of interior or as minister of state, do you not have the possibility?

[Szuros] Today, I think that the possibilities are increasingly better for this and the gates are opening forever wider. There was doubtless an earlier period, I was in similar position then too, when in a different structure, these possibilities were much more closed. [end recording]

Participant Views Discussions

*LD0806095689 Budapest Domestic Service
in Hungarian 1630 GMT 7 Jun*

[Text] Today those wanting a democratic Hungary convened in Budapest for a session to prepare its foundation. Imre Pozsgay gave the introductory speech and among other things he emphasized that the movement intends to pull together people who accept simultaneously the values of the rise of the nation, European progress and democratic socialism regardless of the participants' party affiliation or organizational membership. The discussion was chaired by university lecturer Ferenc Gazso. Andras Kerekes interviewed him.

[Begin recording] [Kerekes] What is the aim of such a movement?

[Gazso] The movement's objective is to open a road for people committed to social transformation and democratic change in society and to change in the social model of politics and participation in politics regardless of party affiliation. In other words, it is not a movement which is intent on becoming a party but it wants to ensure a platform and means for those groups and individuals belonging to any party or even independent

Demonstration Under Way

LD0806064289 Budapest Domestic Service
in Hungarian 1630 GMT 7 Jun 89

[Text] [Announcer] A demonstration is under way in Budapest. It was organized by the Federation of Young Democrats and started at 1700. Our reporter, Zsuzsa Kun, reports from in front of the Chinese Embassy building.

[Kun] An opening speech, a poem, the lighting of candles, and finally a petition to be submitted to the Chinese ambassador. This is the agenda of the demonstration. I have the text of the petition in my hand. Allow me to quote a few sentences from it:

We, the members of the Federation of Young Democrats, who have been following the peaceful but determined fight of the Chinese students for human rights with anxious confidence, we, who ourselves fight for constitutional democracy in a crumbling communist dictatorship, are profoundly shaken by the news that the conservative, militarist wing of your leadership, which has grabbed power for itself, pushing aside leaders who think more sensibly, and in the interest of their own narrow-minded purposes and guided by sheer fear for their position, has ordered the shooting of a peaceful, unarmed crowd.

The opening speech has just finished and it was received with enthusiastic applause. Several hundred, perhaps several thousands of people are present. But I will continue reading the text of the petition: The act committed by your faceless leadership is a crime. It is impossible to move in front of the building. Naturally, the building is protected by a police cordon. It is forbidden even to step on to the sidewalk. I have managed to speak to one of the embassy secretaries but he did not give any opinion about either the Beijing events the Hungarian demonstrations. The organizers do not know yet how the demonstration is going to proceed or when is it going to finish. I hope it will end just as peacefully as it started and as it is going on at the moment.

[Announcer] The Hungarian Government has expressed its deep worry in a communique regarding the events in China, emphasizing, however, that it has no intention of interfering in that country's internal affairs.

At the same time, the government confirms its position that respect for general and fundamental human rights is a mutual affair and the international responsibility of all of us. Therefore, it cannot be an exclusive internal affair of any country.

Our shock regarding the tragic events is only increased by the fact that they are happening in a friendly socialist country which has pledged itself to the modernization of society, to democratic development and reforms.

The Hungarian Government sincerely hopes that the Chinese crisis will finally be solved and that the continuing political reform will create the possibility for the further advancement of the country.

Pozsgay Anticipates Implementation of Change

AU0706121489 Hamburg DIE WELT
in German 7 Jun 89 p 10

[Carl G. Stroehm report: "Pozsgay: There Will Be a Change in Hungary in Any Event"]

[Excerpt] Budapest—The bloody events in Beijing have increased the concerns of the reformers among the Hungarian Communists and of the opposition groups that something similar might also happen in Hungary. Answering a question asked by the Budapest magazine KEPESES of whether there is an impending danger from those forces "who are even ready to defend their privileges and the past with weapons in their hands," Politburo member and State Minister Imre Pozsgay stated: "This is conceivable."

"Hungary wants the change," Pozsgay continued. This change will either be brought about by peaceful means—that is, by a real national consensus—or without it. However, the country will also implement the change if the latter happens. But then it will come to "tragedies," Pozsgay stated. [passage omitted]

Grosz Meets With Israeli Bank Leumi Chairman

TA0706125089 Jerusalem Domestic Service
in Hebrew 1200 GMT 7 Jun 89

[Text] Moshe Zanbar, the chairman of Bank Leumi's Board of Directors, met with Karoly Grosz, the general secretary of the Hungarian Communist Party in Budapest.

The meeting was also attended by Ze'ev Ben-Tzur, the secretary of the Public Committee for the Preservation of the Heritage of Hungarian Jewry.

No information was given regarding the issues discussed during the meeting.

Military Industry Budget Cuts Cause Problems

AU0706131089 Budapest NEPSZAVA
in Hungarian 2 Jun 89 p 5

[Report by Correspondent Robert Gal: "Will There Be Further Manpower Cuts in the Military Industry? — Some 8,000 to 10,000 Jobs To Be Eliminated in the Country—State Orders Could Drop by Half—Large Stocks of Products Accumulated in Warehouses"]

[Text] Defense expenditures are to be further cut according to the package plan submitted by the government on 1 June. The National Assembly made a similar cut in December 1988. A total of 8,000 to 10,000 jobs will become redundant in some 20 to 25 enterprises in the Hungarian economy.

[Fodor] Were invitations issued specially for this occasion?

[Horn] We did not invite anybody separately, as to whether the Historic Justice Committee has invited anybody specially from abroad, we do not know.

[Fodor] You are not going to put any obstacle in the way of the invitations?

[Horn] No, we will not put any obstacle, either to the invitations nor to the announcement. Thus, those who announce that they wish to travel to Hungary for the funeral service, will get their visa without any problems.

[Fodor] At this moment, the Historic Justice Committee is in session with the relatives as to whether the government or the Hungarian Socialist Workers Party [MSZMP] can participate in the funeral. What is your personal position, or the government's position on this matter?

[Pozsgay] Those who do not offend reverence should take part, and the government itself is not a body whose participation would offend reverence. I agree with Miklos Nemeth in this matter.

But without an agreement, the affair cannot be conducted, therefore I personally have decided, regardless of how the talks between the government and the Historic Justice Committee end, that I myself will pay my respects at the funeral service.

[Forro] Thus, the government respects the stance of the Historic Justice Committee.

[Pozsgay] Yes, it does and it will not go beyond the agreements. [end recording]

Council of Ministers Hold Session 5 Jun
LD0506222689 Budapest MTI in English
2114 GMT 5 Jun 89

[Text] Budapest, June 5 (MTI)—The Council of Ministers held a session on Monday. The government accepted and approved the reports on the talks of Prime Minister Miklos Nemeth in Warsaw, Vienna and Prague.

Government spokesman Gyorgy Marosan said: It became obvious in the course of the Warsaw talks that the objectives of Hungary and Poland are similar. The Hungarian prime minister's visit to Prague proved to be more successful than expected. They managed to find a common ground in such delicate matters as the suspension of the Nagymaros dam project. His talks with the Austrian chancellor were characterized by an atmosphere of shared responsibility, calmness, objectivity and a readiness for cooperation.

The government also dealt with the rehabilitation of the people who had been interned between 1945 and 1949 (55,000), 1949 and 1953 (25,000) and after the 1956 people's uprising (12,900).

The employment and pension of the people interned in the period between 1949 and 1953 will be decided on by June 30, 1989, and further measures are expected in the matter of those interned between 1945 and 1949, and after 1956, as early as September.

Mr Marosan announced his resignation, because as he said his honesty had been questioned in connection with a statement he had made on measures hitting the population at a press-briefing in early May, which he claims to have been distorted.

Miklos Nemeth Addresses National Assembly 2 Jun
LD0206194289 Budapest Domestic Service
in Hungarian 1025 GMT 2 Jun 89

[Address by Premier Miklos Nemeth to the National Assembly session in Budapest—live]

[Excerpts] Esteemed National Assembly. First of all I would like to express my thanks for the understanding and support for the package plan now submitted by us. I also wish to express my thanks for the critical observations; these can be utilized in the future work of the government and we shall learn from them. [passage omitted]

Several deputies who spoke in the debate touched upon our relations with the international financial institutions. Does the IMF blackmail us? Or does the World Bank blackmail us? What is the situation in this respect? What detailed information is necessary for a correct evaluation? Permit me to talk about the past as well in this connection.

It is well known to you that we asked to be admitted to these two international financial institutions at the end of 1981, and when we were admitted, thereby we succeeded in avoiding the most serious outcome, namely the danger of Hungary joining by the middle of 1982 those countries asking for their debts to be rescheduled. Unfortunately, this would have happened. It also belongs to this information that from 1979 to 1982 a particular reorganization occurred in the world, which contained political, financial-political and long-term elements of politics and practice which one can dislike, one can excoriate, but one cannot ignore.

What do I have in mind? Besides many arguments and considerations, which I do not want to go into on this occasion, what played a role in the indebtedness of the socialist countries was the belief that these countries were backed up by the Soviet Union and if one of these countries were to get into trouble, the Soviet Union, on the basis of some sort of umbrella theory, would help it

out, if necessary with billions of dollars and if necessary with other means. When Poland fell among the countries asking for rescheduling, this umbrella theory collapsed from one day to the other.

However, parallel with this, another umbrella developed in the world. This was the endeavor of the financial institutions, or, if you like, of the banks and bankers, to go strictly by the international financial institutions in their search for greater security, becoming more cautious, and hardly entering into talks with countries in a critical situation unless so advised by the international financial institutions. [passage omitted]

The agreements which we reached with the IMF and later with the World Bank were always at the initiative of the Hungarian Government, and were always based on the Hungarian reform endeavors and reform programs. This initiative was often insufficiently decisive and courageous and this has also played a part in the fact that between, say, 1984 and 1988 the country was not able to pursue an economic policy or a reform policy which could have prevented the almost doubling of our debts in a, so to speak, third wave of indebtedness.

I would like to stress the words, at our initiative, since we came to agreements on the basis of our economic policy and our annual plans. I would like to add that these agreements were not reached without debates. After all, an international financial organization, such as the IMF, has a different outlook, sees the world through different glasses, from a country such as Hungary, where, let us admit, we are only now beginning to strengthen and expand the market mechanisms and, let us admit, international life has not yet experienced such a determination on our part which would have made it possible, as an advance confidence, for us to acquire larger than the absolutely necessary sums.

I can reasonably state that without these agreements Hungary would have been one of the countries asking for a rescheduling without this necessary support, however clever the previous or present leadership of the Hungarian National Bank, it could not have raised these sums.

We are going to change these things in regard to the mechanism and our openness. We would not like this to happen in secret. What we would like is to discuss, in the government and elsewhere, the principles on the basis of which negotiations can be carried out with these organizations, and when we are seeking a longer-term agreement, as we are now trying to reach one with the IMF to ensure the financing of a 3-year program, then we shall submit to you the outlines, the basic elements, of this program.

What are their main proposals and what is the subject of debate? The observations and demands put forward by them—which are far from what could be described as blackmail—can be summarized in four points. We think, and this is what they think as well, that in Hungary

market methods and not administrative methods must be employed in working out a market economy in Hungary, whether one talks about the external or the internal market or the creation of an equilibrium. I think that this aim is correct; this is what we profess as well. The debate is in general about the extent and the rate of progress. Just think of such things as import liberalization, price liberalization and the liberalization of the wages mechanism.

The second observation is that there should not be over-spending or, if there is—as there is in our budget—then the government should finance the deficit from the market; it should ensure the financing of the deficit through the means of the market rather than from external loans through the Hungarian National Bank. This goal is present in our program as well. On this point the debate concerns how quickly and at what rate and magnitudes we should comply with this.

The third is that there should be a realistic rate of exchange in the economy so that we should be able to connect with the world, that we should achieve convertibility as soon as possible, which is a fundamental condition for our participation in the European and world economy. Once again, our debates generally concern the extent and the rate of progress.

Then, let there be a competitively neutral economic policy, neutrality between sectors, large enterprises and small entrepreneurs or, in a different grouping, private and community property, state and cooperative sector; let them all start on an equal basis. There is no debate between us regarding the goals and the endeavor in this sphere either. However, we are aware of the difficulties. Let me add, some of the objections are based on ideological grounds. We start along the path of a more marked import of working capital, and it is immediately said in chorus that the government is selling off the country. We start out along a political line whose basis is that between 1945 and 1950 we over-nationalized, we try to correct this over-nationalization—that is, we want to launch a reprivatization program within the framework of a program for livening up enterprise, and there is immediately protest, opposition, with at times personal, leadership interests behind it.

Well, this is in brief the situation. We are conducting tough negotiations; they are tough and correct partners, but breaking off relations at the present state of the country's indebtedness would be tragic and I would not recommend it to anyone. I am convinced that the joint building of these relations benefits the Hungarian reform process and, indirectly, every one of the socialist countries.

Where the debates are misunderstood is that where we reach joint agreement on the basis of our annual plan and budget and these financial organizations from time to time review the implementation of the Hungarian program points, the experience is that if we fall behind in the implementation of the goals that we have formulated, they

bring this up. Sometimes they do this in a tougher manner, and this is how it is in the case of our program for the current year. In this system of relationship there is an obligation to provide data in every quarter, in the interest of security, particularly as regards the criteria that have been undertaken. If they do not see guarantees for certain steps, then in line with the mechanism, something which we accepted when we joined, they either suspend the issuing of the loans signed for or wait till the governments—since this is so not only in the case of Hungary—take the necessary correcting measures.

I would not like to leave anything in the dark concerning this whole question; our policy in relation to them is that we should remain in touch with them in the interests of ensuring the necessary resources, let them help in the expansion of the Hungarian reform and through it the improvement of the lending instincts or abilities of the Hungarian private banks, commercial banks.

As a connected question, I would like to deal with the issue of what has happened with the tremendous amount of money, debt, that I have spoken about. I do not wish to go into any economic discourse here, however, let me set out some points in the interest of better understanding. [passage omitted] I would like to state that between 1984 and 1988 there were only 2 years, 1986 and 1987, when the Hungarian balance of trade was in a deficit. In the other years we had a positive balance. What is more, there was an overall positive balance. This means that despite the enormous debts, we were not importing but exporting resources.

This is a very paradoxical phenomenon. It is connected with the two factors: First the extremely high cost of the interest payments on the accumulated debts. [passage omitted] Second, another cost that may be involved in the management of a stock of debt is that the revaluations of certain currencies sometimes results in gains and sometimes in losses for a country. Thus, I would like to end this mistaken belief that this money was invested in the economy. Some of it was invested in it—in September I would like to give a precise account of how this developed since 1971, how much of the accumulated debt went into the economic structure and investments and how much burden came about as the result of the accumulated debt. [passage omitted]

Several speakers touched upon the question of defense, and further reduction of the support given for the expenditures of the armed forces and social organs. I would not recommend to the esteemed National Assembly that reductions greater than those proposed by the government should be effected in either area. At the same time I would like to state in connection with the reformulation of the security policy and defense doctrine of the country—on which we are working together with the military and foreign political leadership, and where we can see the end of the tunnel—that, naturally, the demand that there should be a smaller Army—let me say it like that for the sake of simplicity—but one which in

terms of its equipment, geographical location, is more modern and more mobile is justified. One has to look at this and think about this in a responsible manner, because the defense of the country, based on its defense doctrine, and ensuring the minimal requirements necessary for it, is, I think, one of the fundamental criteria and requirements on a government. This is true of any government, not only the present one. Once we have come to the end of this review—and this will not be much longer by now—we shall determine, taking the country's ability to bear burdens, its social problems, also into consideration, that smallest sum which is adequate to meet the just-mentioned requirement. However, before completing this work I would not regard it as advisable to modify this sum. Naturally, it is right of the National Assembly to adopt a position in accordance with its best convictions, however, I would like you to take into consideration what I have just said.

I was asked how much aid we give to other countries. [passage omitted] In the 4 years between 1984 and 1988 we devoted 5.2 billion forints to these aids. This practice is present internationally in every country; this sum in the period indicated shows that we have not taken this to excess and will not do so in the future either. In the plan for 1989, or in the budget, two billion forints are allocated to this purpose and the reduction relates to this figure. [passage omitted]

Nemeth, Austria's Vranitzky Discuss Nagymaros
AU2605081189 Vienna DIE PRESSE in German
26 May 89 p 1

[Text] Vienna—On Thursday [25 May] in Vienna Hungarian Premier Miklos Nemeth affirmed his country's readiness to stick to the contract on the delivery of electricity to Austria despite the probably final stop to the construction of the Nagymaros Danube power plant. After a meeting with Chancellor Franz Vranitzky in Schwarzenberg Palace, Nemeth said that, within the framework of the new Hungarian energy program, plans are being developed on how the energy demands of both Austria and Hungary can be met with smaller power plants.

As during his visit to Prague on Wednesday [24 May], preconditions for a joint international study of ecological and economic aspects of the reservoir project were established in Vienna, Nemeth said. However, the amount of potential payments has not been discussed.

Chancellor Vranitzky said that the essential basis of further negotiations is Hungary's assurance that the contract on the delivery of electricity remains valid and that any payments or costs that Austrian companies have to incur because of Hungary's cancellation of the power plant project will be met by the Hungarian side. The principle of "strict calculation, good friends" is valid.

Marothy Rejects Criticism

LD0206224389 Budapest MTI in English
1722 GMT 2 Jun 89

[Text] Budapest, June 2 (MTI)—In the debate over the controversial Gabcikovo-Nagymaros barrage system, Laszlo Marothy, minister for the environment and water management, made an impromptu speech in which he categorically rejected the accusations against him which suggested he had misled parliament in the motions presented earlier.

Mr Marothy reported that nowadays many responsible leaders were thinking seriously about the limit to remaining in public office in the present state of affairs. He himself had been pondering on this, but now was not the time to take stock.

Nemeth Answers Questions on Phone-in Show

LD0406151489 Budapest Domestic Service
in Hungarian 0700 GMT 4 Jun 89

["Calling telephone 338-378" phone-in program, presented by Istvan Vizinger, with Prime Minister Miklos Nemeth as guest—live in studio]

[Summary from poor reception] The first part of this interview deals exclusively with Nemeth's private life, questions being put by Vizinger relating to Nemeth's family, his hobbies, and so on. Nemeth says obviously his responsibilities mean he has less time to spend with his family than before, but at the end of the week they do discuss the week's successes and failures with his children. He and his wife like going to concerts; he discusses his work with his wife. He outlines how he spends Sundays, adding that nowadays he often has work to do on both Saturdays and Sundays. He goes on to say they have a modest flat, bought with parental help. Asked about the decision to suspend the construction work at Nagymaros, Nemeth again outlines the points made in his National Assembly speech, saying that investigations are being carried out during the period of suspension.

A listener asks Nemeth if he has ever thought of leaving the Politburo and carrying out his premial duties as a simple party member, with greater independence. Nemeth replies that the present situation is a transitory period of breaking with the party-state structure, but in a future coalition government, in which everyone represents some party or platform, the question will not be so important. Thus it will resolve itself after the next elections, which will be contested by all parties.

Asked how he can carry the burden of responsibility in so many matters, Nemeth replies this is why the government has advisors and advisory bodies, and why the government attaches greater importance than before to the opinions of scientists and academicians. Vizinger points out the contradiction that Nemeth, when working for the party Central Committee's Economic Policy

Department, gave advice to ex-Politburo member Ferenc Havasi, whose economic policy activity Nemeth now is forced to criticize. Nemeth replies that Havasi was a reform politician working to the best of his ability in a certain environment, and it is the decision-making mechanism rather than the individual that should be criticized.

Nemeth is asked the reason for haste in economic matters. In reply he refers to the great burden this government has had to take on as a legacy from the past, and to the gravity of the current situation.

A listener asks if the government intends new legislation with regard to pensions. Nemeth replies that work on a new pension law has been going on for some time, it is obvious that this law is needed within the framework of radically reforming the social policy system.

Vizinger then says: "Let us look ahead to 16 June. How do you regard this?"

Nemeth says this day will be a watershed, a day of national reconciliation and mourning, the opening of another phase in which energies must be turned to the tasks of the future. "The government also felt itself obliged to insure conditions connected with the study of the trial documents. It is my current view that the supreme state prosecutor will be able to express his legal stance before the burial. In essence, it can be seen from the investigations to date that this whole (?crime) contained conceptional elements and was unlawful, even according to the legal regulations existing then. Taking all this into account, I can say that with this, the legal and in essence political rehabilitation of Imre Nagy and his companions will take place. If all this is so—and I would say it will be so—then before the funeral we would like in a government statement to urge everyone to behave responsibly. This is not an occasion for parties to compete with each other in (?how true) Imre Nagy was. The day of the burial of Imre Nagy and his companions, as I emphasized, must be a day of reconciliation and accord.

Vizinger: "Will you be there in Heroes' Square and the cemetery on 16 June?"

Nemeth: We have continually worked together in the preparatory work with the families and the Committee for Historical Justice, and one of our guiding principles is to do everything according to the wishes of the family.

Vizinger: "National Assembly Speaker Matyas Szuros said yesterday on the '168 Hours' program that he considered it probable that Miklos Nemeth would place a wreath on behalf of the government, with the two state ministers present."

Nemeth: "I would place the emphasis on the word probable. We still must consult with the family members. We will find the way to do this next week. I, too, consider it probable."

Vizinger: "What happens if the Committee for Historical Justice does not (?allow) the government to participate?"

Nemeth: "Then I say now, if such a sentence were to be voiced, that we respect the indication and stance of the Committee for Historical Justice or of the family. At the same time, as a private individual, anyone, even a Central Committee member or a government member, can participate in the funeral. This is one thing; it is something else for him to place a wreath on behalf of the government.

Vizinger: "So, does this mean that whatever happens in the coming days, Miklos Nemeth will definitely be there in person?"

Nemeth: "In all probability, yes."

Vizinger: "We have received a question without a name: "What is your opinion on the evaluation of 1956?"

Nemeth: A long task of investigation lies ahead of us. "What is certain is that on 23 October there was an uprising, a popular uprising against a Stalinist system, a system of despotic rule, an uprising that formulated rightful and just demands, but in the course of time, the events became more complicated, both internally and externally. As to what evaluation can be given of these events, we still need numerous internal and external pieces of information, facts, and documents. I dare hope and trust that the socialist countries concerned will help in this work. It would be very good if this were to reach a resting place as soon as possible, and be given its place in our history. However, a long, long time is needed to prepare an evaluation that will put everyone's mind at rest, for individual people lived through these days and the events in different ways.

"What is certain is that this was a national tragedy. It also is certain that a fratricidal war was fought in the country, and that both sides were convinced they were right. However, we must not forget one thing: Hungarian blood was spilled on Hungarian soil, so these events must be looked at dispassionately, soberly, and very factually, and so must the statements by Imre Nagy and Janos Kadar, and the way these statements changed, so that the events may never be repeated. We must carefully examine the changing circumstances at the time and why the (?attitudes) of the individual sides changed. I would not like to go too deeply into this here on this radio program. I only want to convey how great is the responsibility of historians and political scientists, and that they must be given every opportunity to give the most [word indistinct], precise and nuanced evaluation of events possible. In general, the people, public opinion, have their own opinion, their own stance on every event. Often the official interpretation of an event does not coincide. We must work so that the two become closer and coincide. An evaluation can be condemned; it can be

disagreed with, say in the case of public opinion or the people, but there can be no argument regarding anybody's right to evaluate in a certain way."

Vizinger: "I respect your indication that this short space of time is not really sufficient for us to talk about this period in detail. We will hold a short break, but first, one more question in this connection: Is it planned to make 23 October a holiday?"

Nemeth: "We still have to talk about many things, both among ourselves and with the alternative organizations. I think it is still too early to raise the question of whether or not 23 October will be a national holiday. I would consider it too hasty to say a determined yes, but just as hasty to reply with a determined no." [break for music]

Asked the definition of a reformer, Nemeth replies that a reformer is someone who, in the existing conditions and taking reality into consideration, wants faster progress in achieving a breakthrough. However, every reformer also has a yearning for stability, and thus can be accused of being a fundamentalist. Let everyone decide for himself whether he is a reformer or a fundamentalist.

Asked when, in his opinion, the elections should be held, Nemeth says that this should be agreed between the parties. There are many arguments in favor of early elections, particularly the uncertainty in the country, but the parties must be given the chance to prepare themselves organizationally.

Vizinger: "With the elections there will be a division of power. Can you envisage that the Hungarian Socialist Workers Party [MSZMP] might let go of the ministries of defense, interior, or foreign affairs? If so, how can the Warsaw Pact conduct talks with a defense minister who belongs to the opposition?"

Nemeth: "I have never heard of a party anywhere in the world which approaches elections not wanting to win. Well, let us return to this question after the elections. I believe that the MSZMP will remain in power, even if sharing power with coalition partners. This is in the interest of the country as well, and it is also in the interest of international politics. It will then be a question of negotiations who gets which ministries. Naturally, the three ministries mentioned are key ones, but as to which will go to whom, this is not something I can predict at the present time."

Nemeth is asked for his estimate of how much support the opposition has in the country. He says that there is no way of telling; the elections will reveal the answer.

On the question of whether there can be a reform dictatorship, he says that a firm reform line is not a reform dictatorship, it is in the fundamental interest of the country.

Vizinger: "Laszlo Szegoe, from Szeged, asks: When will it become timely for the country to become neutral and to leave the Warsaw Pact?"

Nemeth: "Well, this is not a decision for a country alone. Much depends on the position and interests of the great powers. Thus, it is not just a matter of what Hungary thinks on this matter. We must endeavor to stabilize the balance of strength at the lowest possible level of armaments. We must work on eliminating the existing military alliances; then, if I may say so, it is almost as a matter of organic development that we will achieve neutrality. For this, the East-West dialogue must be strengthened. We are progressing in the right direction. We must strengthen the economic relations because if the trade and economic relations are strong, then these military and military-political questions take a back seat.

"I regard it as very important to move toward neutrality, but let us be realistic; let us be objective, this is what I wanted to stress when I mentioned the great powers, the balance of strength."

Asked when this generation of Hungarians will come to the point of making their own decisions on the country's future, Nemeth says that he is confident this is imminent. Fortunately, the international background is promising in this respect.

Vizinger: "Melinda Botta, mathematics teacher, asks: Would you profess friendship with Karoly Grosz in front of public opinion, or are you one of those who want to become popular by denying him?"

Nemeth: "Well, in politics categories such as friendship and personal links are not the most appropriate, in my opinion. At the very beginning, when the National Assembly elected me premier, people said that I was not independent, that I was Karoly Grosz' man. Nowadays, when I hear criticisms, they ask why there is not greater unity within the leadership and why there are conflicts on certain issues between Karoly Grosz and Miklos Nemeth."

Vizinger: "Are there really conflicts between you?"

Nemeth: "This is what public opinion says, but I would like to say the following in this connection: First, the time is past—and it is a very good thing that it is past—when a leadership had to show monolithic unity on every issue, using the same words in the same way before public opinion. I mention only in parentheses that there were conflicts inside the old leadership as well, in earlier politburos, too, only they did not become public. However, publicity is different now from what it was even 10-12 months ago, and it is right that it should be different. It provides greater social control; it insures that people can decide which ideas by which politicians contain a kernel of truth.

"Second, it is very important for leaders to be able to say what they think on basic issues. If this differs from the views of another leader, if the emphases are placed differently, then this is not a matter of conflicts, friendship, or personalities, but of a different type of thinking, a different system of values, and so on. Our society also will gradually have to become used to the idea that on given issues there can be differences between leaders, but that nonetheless they are in the leadership of the same party, they serve the same policy, and so on. In this sense, I consider that the question put to me is exaggerated, and that the fact that it is put to me so sharply and so often is connected with the level of our political culture."

Vizinger: "In that case, I will not question you further about this conflict, but it is perhaps no exaggeration to say that for someone who reads the papers, watches television and listens to the radio, it appears that the power situation today is that there are three outstanding, strong politicians: Karoly Grosz, Imre Pozsgay, and Miklos Nemeth."

Nemeth: "I think we should include Rezso Nyers."

Vizinger: "One could, naturally, include others as well. I think that these names can be linked in various configurations. The question is this: Do these people belong to the same power center—they are Politburo members—or do they represent different forces within it? Is it the case that they each support someone and consequently do not support someone else, even if they actually happen to agree? [words indistinct]"

Nemeth: "The government is a policy-making executive power center, which sets the pace of reform, both politically and economically. In this respect, there can be links as well as conflicts between the people working in the political sphere, the party leadership, and those in the government. After all, the party pursues the right policy when it restricts itself to the strategic direction, whereas in the government it is the specifics that are dealt with. I think that in this reform spirit there is scope for the development of a new type of unity, but let me stress once again, this will contain different shades; the different approaches will manifest themselves and people will line up behind them. This is what we wanted, that it should be more colorful, that differences in interest should manifest themselves, that platforms should appear. It is my conviction that this will lead to better decisions on the questions of the future."

Nemeth is asked whether he has plans for a government reshuffle soon. He says that there is no need for a reshuffle now. At the same time, "It is no secret that we are working on the reorganization of government work in the functional areas, meaning planning, the budget, prices, wages, and so on. If the organizational changes bring forth a need for further personnel changes—and this is something that we will be able to see at the end of

this year or the beginning of the next—then there will be changes, but I trust that the present team is united and knows what it wants; it does not need to be reshuffled.”

Vizinger notes that the questions not answered on this program will dealt with in MAGYAR HIRLAP and the UJ TUEKOER.

French Daily Interviews Foreign Minister Horn
PM0606105889 Paris LIBERATION in French
1 Jun 89 pp 29-30

[Interview with Foreign Minister Gyula Horn by Pierre Haski—date and place not given]

[Text] LIBERATION: Do the Warsaw Pact countries still have a common view of human rights?

Gyula Horn: This general common view of human rights did not even exist in a monolithic way in the past. Each country had its own national peculiarities depending on the style of the ruling party. What is very important is that the civilized interpretation and practice of human rights has begun in a number of countries—in the Soviet Union, in Poland, and in Hungary. This is a great step forward, primarily in these three countries.

LIBERATION: This gives rise to major discrepancies among the speeches by the East European countries at the CSCE.

Gyula Horn: These countries do not have any concerted positions. The Warsaw Pact is not concerned with human rights issues, it has other functions. There are no norms to follow in the human rights sphere. We think that the path to be followed is that of the civilized implementation of the international norms of human rights.

LIBERATION: Does the fact that you are developing differently from your partners cause problems for you?

Gyula Horn: It would obviously be desirable for our thinking to go in the same direction. It is not a good thing to have disparities. But Hungarian policy is not concerned with measuring the differences. We are following our own path with our own people and our own demands.

LIBERATION: In your speech you mentioned the question of minorities, referring to Romania. How are you continuing your action in favor of the Hungarian minority in Transylvania?

Gyula Horn: It is obvious that we are not able to achieve results in the sphere of bilateral relations with Romania. The Romanian side is not prepared to discuss these problems. We are making proposals which they reject without even negotiating. What we are doing is talking as

much as possible in international forums. We did that in Vienna, Geneva, and New York, and expressed our position, because Romania is a party to international agreements.

LIBERATION: Do you intend to invoke the CSCE's monitoring mechanisms in the human rights sphere against Romania?

Gyula Horn: Yes.

LIBERATION: But Romania refuses to bow to the rules contained in the text signed in Vienna.

Gyula Horn: That is unacceptable. I expressed my position in my speech: The pledges which we signed apply to all countries. I hope that Romania will change its position in the light of international stances.

LIBERATION: What do you think is preventing Romania from moving toward greater freedom?

Gyula Horn: (He smiled—LIBERATION editor's note) You will have to put that question to the Romanian delegate. But in every society it is politics which decides things and you may have to seek the reasons for this behavior in politics.

LIBERATION: There is a dispute between you and another of your neighbors—Czechoslovakia—following the cancellation of the construction of the Nagymaros dam in Hungary. How do you plan to settle that?

Gyula Horn: Our prime minister visited Prague recently. We want to find a solution to this problem through negotiation. Our aim is to change the agreement, not to cancel it. There is no question of violating the agreement, but it must be modified to take account of ecological dangers. My feeling is that there is a desire to open such negotiations on the Czechoslovak side.

LIBERATION: To what extent has Gorbachev's restructuring helped the Hungarian reforms?

Gyula Horn: The Hungarian process started independently and, even now, it is continuing on the basis of our own decisions. At the same time, events in the USSR are a major contribution. For instance, the USSR began to practice openness before us. Glasnost in the USSR is a stimulus for Hungary. The important thing is that the Soviet leadership is open to the modernization of bilateral relations between Hungary and the USSR.

LIBERATION: Is the “Brezhnev doctrine” (of limited sovereignty in the Eastern bloc—LIBERATION editor's note) finished?

Gyula Horn: I do not think it could ever return.

Budapest Urges Postponement of Visits to PRC

*LD0406175889 Budapest Domestic Service
in Hungarian 1630 GMT 4 Jun 89*

[Text] The Hungarian Foreign Ministry has stated that our Beijing Embassy has taken the necessary steps to protect the Hungarian citizens staying in the Chinese capital. At the same time they call on all those who want to travel to China in the coming days on an official or private trip to postpone their journey in view of the tense situation.

Citizens in Beijing Warned

*LD0506105589 Budapest Domestic Service
in Hungarian 1000 GMT 5 Jun 89*

[Text] The 20 Hungarian students studying on scholarships in the Chinese capital have been moved into the Hungarian Embassy, because rumors have been spreading that the Army might enter the universities.

The 60 Hungarian citizens staying in Beijing are otherwise safe and sound. However, our embassy has appealed to them not to leave their places of residence if possible.

The Foreign Ministry in Budapest has declared that if the severity of the military measures in Beijing is further increased, then wives and children may have to be recalled. They reminded people that similar measures were taken at the time of the Chinese Cultural Revolution.

Poszgay Interviewed by FRG Television Station

Says Hungary Not To Leave Pact

*LD0306090189 Budapest Domestic Service
in Hungarian 0500 GMT 3 Jun 89*

[Text] Bonn—Our homeland will not try to leave the Warsaw Pact because despite the existence of the military blocs, it still is possible to conduct an open foreign policy, said Imre Poszgay, minister of state and member of the Hungarian Socialist Workers Party Central Committee Politburo in his statement to West Germany's ZDF television station. The politician emphasized: We are open economically, we are taking part in regional unions, and we are not hindered in these by the Warsaw Pact.

On those guilty in the Imre Nagy trial, Imre Poszgay said that another judicial calling-to-account is unlikely, for then the affair never could be closed. Speaking about the role of Janos Kadar, he emphasized—the Hungarian leader must be judged by a later age. According to Poszgay, Janos Kadar was a contradictory personality, who can also be accused of compromise, but at the same time must be credited with the consolidation and upsurge in Hungary.

Views Romanian Problem

*LD0306083589 Budapest Domestic Service
in Hungarian 0800 GMT 3 Jun 89*

[Text] The FRG could help set the Hungarian economy to rights with entrepreneurial capital. Imre Pozsgay, minister of state, spoke about this in an interview given to the West German ZDF television. The Politburo member made the statement at the end of his visit to the FRG. In connection with Romania, he declared that in the eyes of the Hungarians, Nicolae Ceausescu embodies the policy of trampling human rights underfoot, resulting in tens and hundreds being deprived of home and country. He added that it is not a question of a Hungarian-Romanian, but a European problem.

In reply to the question of whether he has chances for the post of general secretary, Imre Pozsgay said that he is not striving for the office, but if the forces of renewal have to be led, then he will accept this post.

Comments on Reform

*AU0306201189 Frankfurt/Main FRANKFURTER
RUNDSCHAU in German 3 Jun 89 p 12*

[Interview with State Minister Imre Pozsgay by ZDF journalists Klaus Bresser and Klaus-Dieter Siegloch in Mainz, based on an interview aired by Mainz ZDF television network in a program entitled "What next, Mr Pozsgay?" at 2055 GMT on 2 June. FRANKFURTER RUNDSCHAU "reprints the ZDF interview on the basis of a copy received from the broadcasting station"]

[Text] Bresser: What next Mr Pozsgay? Hungary is regarded as the most important country of reform within the communist bloc, and you are seen as the driving force. Some people call you the "Hungarian Gorbachev." In reality, however, you go much further than Gorbachev. Is communism dead? This is my first question.

Pozsgay: The type of communism that was created during the Stalin era is certainly dead. Proof has been furnished that this type of communism does not work. Its human side is not acceptable for the people who live under this type of communism. It cannot be reformed. For this reason, what was created by Stalin, which is described as the Stalinist model, must be abolished. It cannot be reformed. This is the essence of Hungarian reforms, which deviate considerably from other reform efforts. However, I must add that the Soviet Union has to tackle quite different tasks and that it is pursuing quite different goals from Hungary. Hungary is more in a position to operate as a ferryboat, both because of its size and flexibility.

Siegloch: Mr Pozsgay, you have started a number of reforms to abolish this Stalinist model. You made possible the founding of other parties, besides the Communist Party. You wanted to participate as a candidate in

free elections next year. However, do you really think that the Communist Party will accept a possible loss of the majority in these elections?

Pozsgay: This is the only way, if it accepts and takes into consideration the status of the minority or the opposition. Of course, nobody can seriously expect a political party to enter an election campaign or elections with the intention to suffer a defeat. However, the new electoral law must ensure that all groups are given the same chances, that open competition becomes possible. The rules of this competitive situation must include that we, the Hungarian Socialist Workers Party [MSZMP], struggle for a majority.

Bresser: Mr Pozsgay, this means that you risk the dismantling of the communist system. You consciously accept the risk that communism and this system, which you have had since the war, will no longer exist after the election, during which others may emerge as the winners.

Pozsgay: Yes, we definitely calculate this risk. However, those who want free elections must be prepared to take this risk. You are quite right: If the MSZMP wants to be consistent in this electoral system, it must take into consideration and be prepared to accept the dismantling, the failure of the system. However, I am confident that Hungarian society would accept a democratic socialism that ensures democracy, a socialism that is not created on drawing boards in laboratories, but that grows from below on the basis of human rights and of human freedom. This is my idea of a democratic society, where the market, the market economy, and enterprises exist, but where solidarity among the people also assumes an important role.

Bresser: Are you sure that the Communist Party will get the majority of the votes?

Pozsgay: Yes, I hope so and I am confident. However, this will no longer be a party of the old style, but a renewed party that has come to terms with its past, which has reappraised its past, which has come to terms with its sins, which supports the above-mentioned European socialist values, and which is no longer based on certain ideological principles, but a political party that is prepared to wage a political struggle, and which offers ideological positions to its members that can be supported by the people, that seem authentic and legitimate to the people, and which are in a position to provide new accents to this policy. Those who are responsible for the sins of the previous system will be pushed into the background.

Siegloch: Mr Pozsgay, all this sounds very good. However, quite a number of members of the Hungarian opposition are skeptical about whether you are serious about what you are saying. Your democratization is a mere show for Western money lenders, Hungarian opposition members have claimed. Do you want to save Hungary's ailing economy with Western capital?

Pozsgay: Democracy in a showcase is useful. I would like to stress this. And if real democracy is displayed in this showcase, this can be attractive for the people. I understand the distrust of the opposition; it has good reason for not trusting the party, particularly if we recall the period between 1945 and 1948, a period when pluralism was abolished and dismantled in Hungary, for which this party is responsible. However, I would like to add that we really need Western capital, but we do not make our society more democratic and human with this in mind. Capital is not overscrupulous in choosing social or political systems. If this were not the case, how could one explain the fact that more foreign capital is being invested in Burundi, for example, than in Hungary? I would not say that Burundi has a more civilized system than Hungary.

Siegloch: Let us take a look at reality. For the population in Hungary, the reforms mean first of all lower wages and runaway inflation; there is even unemployment, a phenomenon that has so far been unknown in socialism. Are these the sacrifices that you expect the population to make for the reforms?

Pozsgay: These sacrifices are necessary; we cannot carry out the reforms without them. This is why we need democracy. In my view, there is nobody else in our country who could make these sacrifices other than the people themselves. However, in this case the people should have the right to determine who is to be called to account for what happened in the past and for whom it is ready to make sacrifices in order to catch up with the world economy. This will be a difficult path which will require real sacrifices. Western political and economic support may have a moderating effect, and the West may also benefit from the resulting changes. Hungary does not want any alms. Hungary wants to prove to Europe that it really fits into the picture of a unified Europe. Hungary would also like to point out that the European balance would be endangered if the Hungarian crisis were to end in a catastrophe.

Bresser: You have toured the FRG during the past few days. How can Bonn and the Germans support your reform course?

Pozsgay: In various ways. In political terms, they can help by following and observing the development in Hungary attentively, and by making the public aware of what happens in Hungary. This television program is a very good example of this. I believe that the media could help us a great deal today. World attention must continue to focus on events in Hungary. This is the fourth attempt in Hungary during the past 45 years to find a way out of the existing situation. For this reason, Hungary is currently playing a role that goes far beyond its geographical size and its political significance. We must be aware of this; we must start from this basis. There is another aspect to financial support: If active capital is invested in Hungary, if investors are ready to invest capital in Hungary, it can be guaranteed that the profit

can be transferred back in convertible currencies. Another thing should be borne in mind: The FRG could also provide credit capital to help us establish strong medium-sized enterprises in the private sector, which need loans to acquire modern technologies, know-how, et cetera, so that strong medium-sized private enterprises can be created in Hungary.

Siegloch: Well, this was an appeal to the German enterprises to become active in Hungary. You said that the reforms you want to tackle now are an admission ticket for Hungary to Europe, to Western Europe. If the single market becomes effective in the EC countries at the beginning of 1993, would you like to participate?

Pozsgay: Hungary has no illusions. What I say is, of course, an appeal to the German economy, to the German enterprises, to become an active Hungary. I think that entrepreneurs usually like to take risks, and that they recognize advantages that may result in the form of compensation deals and from competition. They should carefully think things over. Concerning closer relations with the EC, we have already concluded a limited agreement with the EC, which, however, is of outstanding political significance. It will be very difficult for Hungary to go beyond this agreement. Considering the huge crisis package that we are carrying on our backs, it will hardly be possible for Hungary to be accepted by the EC. We are well aware of this fact. We are realistic in this respect. On the other hand, in order to learn how the market works and to learn how to produce competitive goods, we must and would like to participate in a tough market like that of the EC, even if we will not become a member. Of course, we would not reject membership, but I would like to repeat that we are realistic. We do not believe that the EC is very keen on our membership. As far as the European institutions are concerned, such as the Council of Europe or the European Parliament, we would like to participate.

Bresser: That means you would welcome closer ties. You started something else in your country. On your 340-km border with Austria, you started to dismantle the Iron Curtain, to remove the signaling installations and the barbed wires. Where will this lead? Will you continue to be a member of the Warsaw Pact or do you consider it possible to withdraw from it?

Pozsgay: The dismantling of the Iron Curtain, as you called it—let us use the technical term of the elimination of the technical frontier barrier—is a real political act on the part of Hungary. This is an expression of the fact that the Hungarian citizens are free. They have a passport that is valid for the whole world, and they are free to leave the country whenever they want. For this reason, the Hungarian Border Troops do not defend the Hungarian border against Hungarian citizens. We wanted to demonstrate that we observe this basic principle, and I believe that the elimination of the technical frontier barrier is a symbol of our attitude.

The question concerning the Warsaw Pact is something completely different. I think that the start of the withdrawal of Soviet troops from Hungary is an important factor of international detente, and this has apparently been noticed by the international public. However, I would also like to state that Hungary considers itself to be sufficiently sovereign. The opponents to the reforms in our country cannot rely on support among the population. On the other hand, Hungary does not want to disturb the balance on major international issues. For this reason, Hungary expects the large, opposing military blocs to develop sooner or later into bodies for international dialogue and to finally abolish themselves. At this point, Hungary will know what place to occupy in this new European order.

Siegloch: Mr Pozsgay, this is a very future-oriented perspective. To define your government's room for maneuver, let me specifically ask how far Hungary can go. Is it possible for Hungary to leave the Warsaw Pact against Moscow's will?

Pozsgay: Hungary does not want to make such an attempt, and Hungary does not want to answer this question. We have had certain experiences in this respect which suggest that a sovereign policy can be pursued already at this point, now that more understanding has been achieved between the military blocks, and that one can act without taking into consideration the logic of the blocks. I have already stated that we have opened up our economy, that we are present in the world market, with all our deficiencies, of course. We have established contact with all European institutions, and we also participate in certain regional cooperation. The Warsaw Pact does not interfere with this. For this reason, the Hungarian public does not consider this a decisive question at this point that would determine the fate of the Hungarian reforms.

Bresser: Mr Pozsgay, you have arrived here as a transit traveller from the GDR. What do you tell the comrades in East Berlin who are concerned that GDR citizens might escape to the West across the open border in Hungary?

Pozsgay: This issue was not raised. They did not ask me questions in this respect. However, if they were to ask me I would recommend to them that they trust their own citizens. They should not be afraid of granting exit visas to them for visiting Hungary. There they will be accepted with hospitality. I do not think that the elimination of technical frontier barriers has a decisive impact on the life of citizens of a country or that it changes their lives. On the other hand, it is not our task to concern ourselves with the citizens of other countries. Hungary will continue to extend hospitality to GDR citizens.

Bresser: It has become common practice in this program to mention some issues to which we ask you to reply spontaneously and briefly, with one word, for example. The first one is Solidarity.

Pozsgay: Cooperation among workers comes to my mind, and the first attempt that was made in Eastern Europe to bring about changes by peaceful means. In Hungary this takes place through the establishment of parties, in Poland on the basis of a trade union movement.

Siegloch: The Berlin Wall.

Pozsgay: A long-lasting episode in European history, an expression of the suffering of the German people.

Bresser: Ceausescu, the head of state of your neighboring country, Romania.

Pozsgay: In the Hungarian's view, he embodies an arrogant and misanthropic policy that tramples on human rights, and as a result of which tens of thousands and hundreds of thousands become refugees. This is not a Hungarian-Romanian conflict but a European problem. We are dealing with a self-sufficient system that ignores the fact that we live in the 20th century.

Siegloch: **My dream.**

Pozsgay: **That we enter a historic period in Hungary where it will be boring to be a politician, and where it will be very cheerful and beautiful to be a citizen.**

Bresser: Austria and Hungary.

Pozsgay: Relations between the two countries have never been as good as they are now. The joint Austrian-Hungarian history, the suffering, and the negative aspects belong to the past, and a promising future lies ahead of us.

Siegloch: **Demonstrations in Beijing.**

Pozsgay: **Weapons are powerless if they are used against the people's will.**

Bresser: The Prague Spring.

Pozsgay: The first attempt that was made to bring about reforms on the basis of communism within the party's inner circles. More patience would have been required and the outcome should have been awaited.

Siegloch: What happened in Prague in 1968 took place in Hungary as early as in 1956: Soviet tanks against demonstrators who called for freedom. Is there agreement now among your party about how the 1956 events are to be interpreted, as a counterrevolution or a popular uprising?

Pozsgay: No, we have not reached complete agreement. There are still many people today who insist on a false evaluation of history, but I believe, on the basis of my

experiences, that the majority of the basis, the majority of our members, think that the 1956 events were a popular uprising. In this way, the party is acquiring a new identity.

Bresser: At the time, the insurgents made the former prime minister, Imre Nagy, again prime minister. After the failure of the uprising, he was executed. Now, in 2 weeks' time, he will be buried again in a ceremony. Will those who were responsible at the time be called to account after 30 years?

Pozsgay: I do not think that one should call them to account by taking them to court. In this way, the process surrounding Imre Nagy would never come to an end. What took place at the time was a judicial murder. Legal proceedings were instituted on the basis of controversial political issues, and a death sentence was passed. If a trial were opened again because of the same issue, this would mean that we will never achieve national reconciliation.

Bresser: In such a case, it would also be possible to summon former party chief Kadar before court.

Pozsgay: For this very reason, I believe that this is not necessary. Those who were responsible at the time should be removed from power, but they should not be brought to trial. Future generations will judge Kadar. He was an inconsistent politician who can be accused of many wrong steps, and wrong decisions, such as in the case of Imre Nagy, for example. However, on the other hand, he introduced a period of consolidation, during which he realized all of the demands of the popular uprising. This is also linked with his name.

Siegloch: Janos Kadar was removed from power last year. He does not even hold a honorary position in your party now. The position of his successor, Grosz, is not very solid either. At least, this is how things present themselves here. Do you consider it possible that the new man at the head of your party will be Imre Pozsgay this fall?

Pozsgay: This is an open question, just like the question as to who would have been able to manage to bring about the political transition, the political changes, last year. This is also an open question. It is not my personal ambition to become party chief. However, if this were necessary to help ensure the renewal of the country and the party, I might not reject such a call.

Bresser: Radical changes in Hungary, a multiparty system, free elections, the rule of law, religious freedom, private ownership, private economy—in view of all these aspects, in what points do you differ from a social democrat?

Pozsgay: I must admit that I do not think about things like that. What I am interested in is that these goals and projects are realized. I myself have no identity problems. Let the social democrats have identity problems if they

think about these issues. I consider the values that have been created by the social democratic movement in Europe to be very important achievements and values, and I gladly support them.

Siegloch: Many thanks, Mr Pozsgay.

Nemeth Interviewed, Discusses President's Role

*LD0406222789 Budapest Television Service
in Hungarian 1700 GMT 4 Jun 89*

[From the "This Week" program]

[Excerpt] [passage omitted] [Presenter] two persons whose present position could make them the most important partner to a future head of state, have given an interview to Katalin Rangos:

[Begin recording] [Rangos] In your view what powers should the president of the Republic have?

[Nemeth] I would consider an arrangement for Hungary which is very similar to the one in Finland. To put it simply: The main task of the president of the republic is to ensure the stability of the state or the organized operation of the system of the state while he also has a determining role in making foreign policy interests prevail, in laying down foreign policy, in the control and supervision of the forces of power. On the other hand, the government's role is primarily decisive in domestic policy and the economy.

[Rangos] You have listed more powers than the alternative organizations would like to see in the hands of the president of the Republic.

[Nemeth] It is possible that I have listed more but then I would add that it is important as to how and under what control these power are exercised by the president; because, for example, either in foreign policy or in the area of defense in the course of issuing a decree—in my view—the government would not be able to take a step in matters of greater magnitude without the approving, controlling role of the National Assembly. Thus, the issue is not raised in my mind in the way as to what he has on his desk, what he holds in his hand at his disposal but mainly in the way as to which those bodies are—and with what publicity—which control his powers in the name of the people.

[Rangos] By the way, what kind of personality would you like to see above you, assuming that you will head the government over which the post of the president of the Republic will be created?

[Nemeth] I feel that only a man committed to the representation of national interests, taking a stand in support of reforms, and creditable—that is, accepted by the masses, the people too—can fill this highest public life with honor. It is probable that every party will have its candidate. I, as member of the Hungarian Socialist

Workers Party [MSZMP], trust that by that time the MSZMP'S reform forces will come out in such a strengthened position and stand in this election in such a way that we will find the person who fits these requirements and he will be elected, too.

[Rangos] Can you anticipate that we shall see a new face? Or would the person be chosen from the known faces?

[Nemeth] I consider both versions possible and my answer [word indistinct]. Generally, I am a fan of new faces; today's age, and the system of demands of the present in which we must operate makes this necessary in an objective sense, too, but I think that a good number exists among politicians already known too who are able to match this system of requirements or who are able to gain the trust of the people. [passage omitted]

Miklos Nemeth Addresses Army Meeting 19 May

*AU3105150789 Budapest MAGYAR HIRLAP
in Hungarian 20 May 89 pp 1,3*

["Slightly shortened" version of speech by Premier Miklos Nemeth at a conference of Hungarian People's Army commanders in the Ministry of Defense on 19 May: "Premier Miklos Nemeth Speaks at Conference of People's Army Heads—A Smaller But More Modern Army"]

[Text] A conference was held in the Ministry of Defense on 19 May with the participation of leading commanders and political staff members of the Hungarian People's Army. Miklos Nemeth, member of the Hungarian Socialist Workers Party [MSZMP] Politburo and chairman of the Council of Ministers, participated and took the floor in the meeting.

The conference was opened by Defense Minister Colonel General Ferenc Karpati, who evaluated the conditions of the Hungarian People's Army. He pointed out that, in past years, the Army had fulfilled its defensive tasks, and under increasingly difficult conditions. The discipline and morale of its members are balanced and free of extremism. The People's Army supports the comprehensive social and economic reforms and the radical renewal of socialism. Taking into consideration the new security policy concept within the Warsaw Pact and the requirements of the subsequent defense-oriented military doctrine, our military leadership has begun working out the plans for the creation of a future army.

Premier Miklos Nemeth took the floor at the conference; here we publish a slightly shortened version of his speech:

"The Council of Ministers thinks that the Hungarian People's Army is carrying out successful activity: There is good discipline and there is a high level of military

Pozsgay To Establish New Political Movement
*LD0606205689 Budapest Television Service
in Hungarian 1730 GMT 6 Jun 89*

[Text] Imre Pozsgay is to open a meeting tomorrow the purpose of which, according to our information, is the establishment of a new national political association, organization or movement.

In the past weeks, the need has risen several times and at several places to form an organization which would gather those Hungarian citizens—regardless of their party membership or their political stance—who want mutual consensus, [word indistinct] and peaceful transition and who are willing to take an active role in attaining this.

The organizers have invited more than 100 personalities for the founding session and it is expected that they are going to decide tomorrow on the organizational form to choose for the new political [word indistinct].

Workers' Militia Cuts, Reorganization Studied
*LD0706015789 Budapest MTI in English
1904 GMT 6 Jun 89*

[Text] Budapest, June 6 (MTI)—The staff of the Workers' Militia will be reduced by 30 per cent by September. With respect to the future of the organization, a conception is being worked out which would make it possible for the Workers' Militia to operate as the voluntary complementary militia of the Hungarian People's Army—it was announced at the session of the Defence Committee of the Hungarian National Assembly, held on Tuesday in Budapest, in the Petofi barracks of the Danube flotilla.

Parliament should determine the direction of the government's activity, and even issues as, for instance the activity of the armed forces and bodies, considered 'delicate' in the past, cannot be excluded from this, it was stressed at the session.

According to MP Dezso Borcsok of Budapest, the Army is still thinking in the category of extensive development. In this context, the idea of creating a smaller, but better equipped and more efficient Hungarian Army was raised.

Laszlo Winkler (MP from Gyor-Sopron County) requested information about the Soviet barracks being vacated. Officials of the Ministry of Defence said that coordination work about the future of these facilities is still in progress. Most of them will be sold, as the Army intends to cover its already planned revenues of 1,000 million forints partly from these.

Pozsgay Interviewed by Radio Free Europe 24 May
*AU0606114589 Budapest MAGYAR NEMZET
in Hungarian 29 May 89 p 3*

[Interview with MSZMP Politburo Member and Minister of State Imre Pozsgay by unnamed Radio Free Europe correspondent in Budapest on 24 May: "The Next Parliamentary Elections Can Be Only of a Multi-party System"]

[Text] Imre Pozsgay gave an interview to Radio Free Europe in Budapest on 24 May which was broadcast on 27 May:

[Question] Mr Minister! At the general meeting held in Szeged on the occasion of the first national conference of the reform circles of the Hungarian Socialist Workers Party [MSZMP], an elderly lady said that "this Pozsgay is a nice fellow and what he says is good too, but, unfortunately, one cannot believe him because he is also a communist." I think this is not the first time that you hear such or similar things. Is your party not a burden for you? Is it not difficult for you when many people question your trustworthiness because of your party?

[Pozsgay] It is difficult now for everyone who is member of this party because the public regards it as a party that lost its prestige, a ruling party in times of crisis, and, to a certain extent, a party that has caused this crisis. At the same time, I also have to say that the greater part of my life has been connected to this party.

I believe that this organization can be changed and renewed, and then the public will perhaps understand my persistence and coexistence with the MSZMP, or whatever its name will be after its renewal. But I also understand the elderly lady who made such an observation in Szeged, as this was not the first time I heard this, even in the form of such observations like: "I would vote for you with both hands, but not for your party," and so on. One has to face such things today.

[Question] Is there anyone close to you or perhaps in your family through whom the people's voices and reactions to the government or party measures can reach you, like the voice of the elderly lady?

[Pozsgay] I could even say that our entire social structure is represented in my family or my close relatives, because all kinds of social groups are represented in my family, from scientists and intellectuals to honest skilled workers. This is both good and fortunate because I am living in a critical environment where people are not at all intimidated by my position, views, or thoughts, and constantly challenge me with their experiences and judge me in accordance with my ability to understand these experiences.

[Question] After this digression, let us go back to the original question, namely what continues to keep you in this party, you who can daily see in your family the mistakes this party has committed for decades?

[Pozsgay] Well, the hope that this party will become an organization capable of creating an efficient, just, and real national program while preserving all the things worthy of appreciation from its traditions, the part of this tradition connected with the European culture, and while making use, if nothing else, at least of the bureaucratic government experience that accompanies this ruling and leading role and state party position, because I am convinced that, without making use of all this, we would not be able to get rid of this crisis even by means of the best opposition or alternative party programs.

Stalinism Cannot Be Reformed?

[Question] We see a crisis not only in Hungary but everywhere in eastern central Europe and in the Soviet Union, where this system, this communist party is ruling. In your view, Mr Minister, does this mean that the communist idea has come to a crisis?

[Pozsgay] This is a crisis of Stalinism. It has become absolutely certain that this system cannot be reformed because it has failed and has proven inadequate to give the experience and feeling of freedom to people. This system is unable to create internal driving forces in the individuals and citizens to accept something noble, and this system destroyed solidarity among people and cooperation among producers.

Under such circumstances, the only decision we could make was that this entire Stalinist system should be discarded, complete with its ideology. I do not see the essence of this ideology in Marxism or in distorting Marxism, because it has nothing to do with Marxism. The way I see the essence of this ideology is that it created an authoritative and paternalistic regime in which the citizen should be kept on the most infantile level and treated as a subordinate, otherwise the citizen will not accept that there is an all-knowing and omnipotent leader or leading group that does not need justification because all its practice and knowledge includes everything the people need. Well, this concept, together with its Jacobinical method and its tendency toward distortion, terror, and violence should be eliminated from our way because this fits neither socialism nor the European political culture and the people's everyday needs.

A Power Vacuum

[Question] Mr Minister! What will happen to this party, your party, to which you continue to stick by all means? Now in Kecskemet, and in Szeged last week, there was a lot of talk of a possible split in the party. Intellectuals

who are close to you or to your views and political concepts—like Mihaly Bihari and Csaba Gombár—regard this split not only as inevitable but also necessary.

[Pozsgay] Indeed. Since February, when the Central Committee meeting dealt with the evaluation of the 1956 events and acknowledged the formulation of popular uprising, the image of a party split has been emerging either as a taboo and a threatening specter or as a desirable goal. I tried to rationalize this entire problem.

If I want to be honest to myself too, I will say that a split in the party is not something terrible. And nobody should threaten me with the risk of a party split if I express my opinion. Some people are projecting the specter of a party split to the party members to keep their mouths shut, stop arguing and keep together, avoid threatening the so-called party unity, and so on.

This immobility characterized the entire MSZMP and the communist movement, and for precisely those reasons. On this basis, I do not accept the party split as a danger and risk. I repeat, I have analyzed the entire issue and come to the conclusion that, here and now, a split in the party would not be a real split but a disintegration, the disintegration of the MSZMP and its becoming inadequate to govern, and meanwhile, there would be no government factors capable of dealing with this situation. In a slightly pragmatic way, we called this a power vacuum in Kecskemet.

[Question] In Szeged, a reform circle member asked whether the MSZMP could renew itself with a general secretary like the incumbent, namely someone who continued the mistaken policy of his predecessor in the past year, and I mean here the economic policy, and I mean here the Bos-Nagymaros issue as a permanent example—as the final decision on the construction of the river barrage was made in his time, as well as the acceleration of construction. Can there be a renewal with Karoly Grosz?

[Pozsgay] I regard the fact that there are no longer circles of figures and positions beyond criticism in this party and in the Hungarian public, thanks to openness and an increase in publicity and to the reorganization of the entire structure of publicity, as a new phenomenon and a sign of progress and renewal. Today, the activity of any politician—be that the party general secretary or the premier—is open to criticism. Both I and the Western press regard this as progress.

I think the demand for a party congress was so strong because the party members would like to give the greatest legitimacy to the leading forces that govern the party. I do not want to settle this with a Dodonian answer because I would like to add something for the sake of justice. Regarding the political problems of the past year.

I suspect that no one would have been able to manage this period without making mistakes and being above criticism. I hope this will also be considered in preparing the congress.

Honesty Is Valuable

[Question] Let me stay with this problem for a while. One could read in the Western press and in the press agency reports that, at your latest news conference in Vienna, you did not exclude the possibility of Karoly Grosz' removal at the party conference or party congress in the fall.

[Pozsgay] I presented this in the same spirit and in the same way as I have just done here, but this risk and this chance is inherent in every important decision. Besides, I mentioned this as a possibility in principle by starting from the premise that a movement is now emerging in the party in which the members want to determine the party's policy and its leading figures. I repeat, I regard this as such a possibility in principle.

[Question] Let us still remain with the personnel issues. Speaking about the problems surrounding yourself, people find it peculiar that there is a contradiction between your popularity in society and your popularity within the party leadership.

[Pozsgay] I can live very well with this both intellectually and spiritually, precisely by being able to feel that the people appreciate me and society follows my activity and appreciates my consistency. This consistency does not mean that I would stubbornly stick even to my mistakes, but if I make a mistake, I will not hesitate to admit it. Besides, I think that honesty has become very valuable in a depreciated policy and in a country drifting toward a crisis.

I think that if I consider all these things here and I enjoy the support of the public, I will be able to face the smaller problem that the members of some narrow or broader bodies might not think the same as the rest of the country, irrespective now of myself. The party apparatus, its elected bodies, and their various members who might now have reservations concerning myself will also rationalize the situation by overcoming their emotional prejudices, and will also say that one who is good for the people is good for the party.

[Question] Mr Minister! We have already touched a little the problem of a party split. This was a permanent issue at the meeting of the MSZMP reform circles in Szeged. This is a fictitious question, but I will ask it nevertheless: Would you accept the position of general secretary of a reform communist party separated from the MSZMP, something that—referring again to the meeting in Szeged—many people already regard as an accomplished fact?

[Pozsgay] If it is difficult to answer this question because I did not prepare for this but, as I expressed my views above, I did not change my views in this respect. However, precisely in connection with this, I can say that, in that case, this party would no longer be called a reform communist party but would be a party belonging to the concept of European socialism, no matter how the current party would change into this new organization, either uniformly or by way of a party split.

I consider a party to be efficient and successful only if it can adjust to the people and to the European way of thinking, and this does not emerge from the communist experiences that are sticking to abstract ideas, but from a way of European socialist thinking which can be found in an Italian or French social party or in a Swedish, Austrian, or German social democratic party, with the addition that the party for which I struggle would be a party strongly committed to our nation and would not forget that it has to find its roots in the Hungarian nation and work out some kind of long-term program by living together with this nation.

[Question] There is talk today that, if this issue comes forward in the fall, you would replace Karoly Grosz as the MSZMP general secretary. People also say that it would be a good thing to have you as the next president of this country, if the institution of the president of the Republic is established.

[Pozsgay] The same dilemma, namely that—without naming the positions now—I am also part of this organization. If I am part of this, this organization should also use me and decide which position I can fulfill most efficiently and most successfully. At the same time, I cannot deny the fact that I find it extremely gratifying that the people and society appreciate me. In this case, I would gladly accept a position—I repeat, no matter what they would call it—which gives me opportunities for such broad areas of contact? a system of contacts, relations, and forms of contact in which I will never run the risk of being in contradiction with this nation.

Nineteenth Century Models

[Question] Society here and in the West consider you a statesman. Thus, I believe, my question is justified when I ask you about your political idols?

[Pozsgay] I tried to shape some kind of model from figures of the Hungarian history and the life of various Hungarian statesmen, and this again has nothing to do with the current situation, because, if I go deep inside myself, with my activity and "tribunitian" mission, I could imagine myself somewhere between Kossuth and Petofi, but the current needs of this country would rather demand figures like Szechenyi and Deak; and thus, all the most representative figures of the reform and revolutionary movements of the 19th century together are my idols, as if a single personality could somehow be shaped from all these figures.

[Question] A transition from dictatorship to democracy is under way in Hungary now. Parliamentary elections will be the next great and important step. What do you think these elections will be like?

[Pozsgay] We agreed that there would be a multiparty election. These elections should be free, something that also has risks for the current ruling party.

However, I would like to say—and I also mentioned this in Szeged—there can be no party that would be so stupid as to prepare for defeat from the outset. This would also mean a violation of the rules of the game. I will add, however, that I could not support any election tricks and cheap tactics of making use of the others' weakness, unpreparedness, identity problems and search for a basis. Therefore, I can imagine the preparation for elections only in the form of a settlement in which organizations with the most authentic social and popular programs decide together to run in the elections.

[Question] In conclusion, allow me a very personal question. How does your family handle the fact that your time is fully engaged in a daily schedule from 7 a.m. to 8 p.m. and that you are running from one end of the country to the other, taking trips abroad, or just coming back from one of your trips?

[Pozsgay] I do not have much free time, and I always regard free time as an accident and a gift, but this has been so ever since my childhood. Therefore, lack of time does not cause me anxiety and agony. If it did, I would constantly be standing on my head. My family has become used to this and demonstrated great understanding and patience.

I have been living this lifestyle with my wife for 33 years, and this has been a great burden for her particularly in the last 10-15 years. In spite of this, I have two grown-up children and grandchildren too. I am surrounded by a warmth and family environment that makes it seem as though we are constantly and naturally in contact with each other.

Pozsgay Interviewed on Recent FRG Visit

*AU0506132189 Budapest NEPSZABADSAG
in Hungarian 1 Jun 89 p 3*

[Interview with Imre Pozsgay, MSZMP Politburo Member and Minister of State, by Bonn Correspondent Sandor Gyori in Bonn; date not given: "The FRG Appreciates the Changes in Hungary"]

[Text] Concluding his talks in Bonn, Imre Pozsgay received our correspondent and answered his questions.

[Gyori] What was the reason for your current visit?

[Pozsgay] Over 6 months ago, I received an invitation from the Konrad Adenauer Foundation to participate in a conference on the issue of reform in Central-Eastern

Europe, primarily in Poland, Hungary, and the CSSR. Obviously, the professional representatives of the countries in question were also present at the meeting, including political scientists, economists, and social scientists from all over the world. I decided to use this occasion to take advantage of other occasions, namely the 25th anniversary of the European Academy in West Berlin and another invitation from the Catholic Academy in Hamburg. All this activity, I believe, represents in itself a goodwill trip for Hungary. I tried to do my best to give an accurate report on everything that is happening in Hungary and to obtain support for our reforms by convincing the participants that the importance of these reform efforts goes beyond Hungary's borders and that these reforms affect cooperation in Europe, the all-European prospects, and even the security of Europe.

[Gyori] Has the fact that your trip has taken place simultaneously with national domestic policy events not affected your visit?

[Pozsgay] Let me mention the fact that we agreed upon this visit 6 months ago. One cannot subordinate one's international contacts and responsibilities to spontaneously decided body meetings, because one could then gain the reputation as being unreliable. I do not think that our nation's prestige would increase if our politicians and social scientists were regarded as unreliable. Besides, I dared to take this trip because my political convictions and positions are very well known at home. I also saw to it that my opinions on the issues under debate were not left hidden from various meetings.

[Gyori] Exactly 6 months have passed since your last visit to the FRG. Since then, events have accelerated and deep changes have taken place in Hungary. How did your negotiating partners, including the highest ranking FRG leaders, evaluate Hungary's current situation?

[Pozsgay] Without exception, everyone I met spoke in positive terms about the events in Hungary, and declared their readiness to support these events. Chancellor Kohl also pointed out the importance of the Hungarian reform efforts and the comprehensive changes under way in Hungarian political life, changes for which the entire democratic world has great appreciation. To a large extent, in the wake of the FRG initiatives, the various European organizations have recognized the importance of Hungarian reform in world politics and their responsibility for this reform. Starting from this, they promised support on economic, political, and cultural policy levels alike. The heads of various parties offered partnership with the parties emerging in Hungary. This includes not only the supply of experience but also the intention to increase their international cooperation. In other words, the decisive political forces in the FRG are ready to help the Hungarian political parties in their appearance on the international stage and in obtaining knowledge and information. Great care was taken by everyone to make sure that this offer was not interpreted as some kind of

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VISIT PRE-ADVANCE PRESIDENTIAL TEAM

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VISIT PRE-ADVANCE PRESIDENTIAL TEAM
Budapest, Hungary, June 8 - 10, 1989

ROOM ASSIGNMENTS - ATRIUM HYATT HOTEL
(Roosevelt Tér 2, Tel No: 383-000)

<u>NAME</u>	<u>CONTROL ROOM: 520</u>	<u>ROOM</u>
	<u>THE WHITE HOUSE</u>	
John G. Keller	Deputy Assistant to the President	.
	Director of Presidential Advance	611
Gary Fendler	Deputy Director for Press	610
Patricia Conrad	Trip Coordinator	612
Bruce Zanca	White House Press Office	
	Assistant Press Secretary	613
Peggy Dooley	White House Speechwriters Office	614
Susan Biddle	White House Photo Office	514
	<u>STATE DEPARTMENT</u>	
Jeannie Bull	Chief, Presidential and	
	Vice Presidential Support Staff	619
Chris Liebengood	Agent in Charge, Secretary Security	615
Judy Garber	State Secretariat	616
Mark Stafford	State Graphics	617
	<u>UNITED STATES SECRET SERVICE</u>	
Lewis Merletti	Assistant Special Agent in Charge	622
	<u>WHITE HOUSE COMMUNICATIONS AGENCY</u>	
Richard Deloney	Operations Officer	623
Larry Landrum	Operations Coordinator	624
Lt.Col. Ken Bassman		625

PLEASE NOTE: All individuals will be responsible for payment of all personal charges (i.e. telephone, food and beverage, laundry, etc.). We suggest that room fees and any extra charges be settled on the evening of June 9, 1989.

NO CHARGES CAN BE BILLED DIRECTLY TO THE CONTROL ROOM

<u>NAME</u>	<u>WHITE HOUSE MILITARY OFFICE</u>	<u>ROOM</u>
LCdr. William Lee	Coast Guard Aide to the President	511
Maj. Steve Riewerts, USAF	Presidential Flight Support	512
Maj. Jane Fraher	Medic	518
Maj. Brian Davis, USMC	HMX Advance	510
Robert Jankovits	Baggage Coordinator	515

<u>WHITE HOUSE TRAVEL OFFICE</u>	<u>ROOM</u>
Barney Brasseur Assistant to the Director	516

<u>COMMUNICATIONS REPRESENTATIVE</u>
Ellis Kitchen

<u>WHITE HOUSE PRESS CORPS</u>			
<u>NAME</u>	<u>ROOM</u>	<u>NAME</u>	<u>ROOM</u>
Robert McFarland Pool Chairman	517	Wendy Walker CNN	417
Arthur Lord Pool	522	Ron Hacker CNN	418
Melvin Weidner Pool	523	Lloyd Siegel NBC	310
Betty Nevins Pool	524	Joe Raznik NBC	311
Mike Duffy ABC	525	Jim Perez NBC	313
Steve Alhart ABC	410	Norm Sandler UPI	314
Steve Tello ABC	411	Dirck Halstead TIME	315
Jack Kelly CBS	413	Jeff Rosenberg NPR Rep	317
Frank Governale CBS	415	John Keator NPR Rep	318
Mark Kramer CBS	416		

PLEASE NOTE: All individuals will be responsible for payment of all personal charges (i.e. telephone, food and beverage, laundry, etc.). We suggest that room fees and any extra charges be settled on the evening of June 9, 1989.

NO CHARGES CAN BE BILLED DIRECTLY TO THE CONTROL ROOM

EMBASSY OF THE UNITED STATES OF AMERICA

BUDAPEST, HUNGARY

(Szabadsag Tér 12, Tel No: 126-450)

KEY OFFICERS

<u>NAME</u>	<u>POSITION</u>	<u>HOME TEL</u>	<u>OFFICE EXTENSION</u>
Mark Palmer	Ambassador	767-326	x264
Donald B. Kursch	DCM	767-594	x267
Wayne K. Logsdon	ADM	556-842	x226/261
Thomas Lynch	POL	569-284	x260
Robert McCarthy	PAO	767-705	x216
Col. Ruth Anderson	DAO, Air	569-727	x242
LtCol. Sean Maxwell	DAO, Army	851-489	x242
Thomas A. Schlenker	SCI	564-557	x202
Sandra Dembski	ECON	752-014	x274
Jamie Agnew	GSO	428-503	x201
David Hughes	FCS	553-134	x204
Elizabeth Barnett	CONS	563-111	x237
Kenneth Kayatin	RSO	564-268	x264
Morgan Luoma	Motor Pool	566-268	x203

VISIT PRE-ADVANCE PRESIDENTIAL TEAM
Budapest, Hungary, June 8 - 10, 1989

CONTROL ROOM SCHEDULE

Suite 520, Atrium Hyatt Hotel

Thursday, June 8

1300 - 1700 Donna Ingersoll/Zsuzsa Benyi
1300 Control Room Set-Up: Donna Ingersoll/Zsuzsa Benyi
1600 - 2000 Donna Ingersoll/Marta Barsony
1600 Accommodation Exchange: Shirley Haugrose/Marta Barsony
2000 - Closing John Keys/Agi Zuppan

Friday, June 9

0800 - 1300 Donna Ingersoll/Zsuzsa Benyi
1300 - 1700 Donna Ingersoll/Viktorija Jonas
1800 - Closing Jamie Agnew/Mike Szilagyi

Saturday, June 10

0600 - Pack-up Donna Ingersoll
0600 Accommodation Exchange - Shirley Haugrose/Márta Barsony
0700 Bus departs for airport
0730 WHEELS UP - PRE-ADVANCE TEAM

* * * * *

Special note: You may order food from room service, BUT YOU
MUST PAY FOR IT YOURSELF.

IMPORTANT: PLEASE DO NOT CHARGE ANYTHING TO THE CONTROL ROOM.

Thank you for your help.

VISIT PRE-ADVANCE PRESIDENTIAL TEAM
Budapest, Hungary, June 8-10, 1989

SCHEDULE

THURSDAY, June 8, 1989

- 1500 WHEELS DOWN - Ferihegy 1
Met by Ambassador Palmer; PAO Robert McCarthy; ADM Wayne K. Logsdon
Luggage: Morgan Luoma
Passports: Jamie Agnew
- 1515 Proceed by bus to Embassy.
1515 Press Bus proceeds directly to Hotel.
- 1545 Meeting with Ambassador: (Ambassador's Office)
Participants: John Keller
Bruce Zanca
Gary Fendler
Lewis Merletti
- 1600 Embassy meeting: (Third Floor Conference Room)
Participants: Ambassador
Sandra Dembski
Ken Kayatin
Wayne Logsdon
Elizabeth Barnett
Robert McCarthy
- 1600 Accommodation Exchange at Hotel
- TBA Return to Hotel
- 2000 Dinner: Karpattia (15)
Matyas Pinco (15)
Pest Buda (15)
Apostolok (15)

FRIDAY, June 9, 1989

- 0700-0900 Breakfast at Hotel (included in room charge)
- 0845 Depart hotel for Ministry of Foreign Affairs
- 0900 Meeting: Ministry of Foreign Affairs
Participants: Dr. Joseph Hajdu, Protocol, MFA
Ambassador, John G. Keller
PAO Robert McCarthy, Gary Fendler, Bruce Zanca
RSO Kenneth Kayatin, Lewis Merletti
Col. Ruth Anderson, CW2 J.D. Call, Cdr. William Lee
ADMIN Wayne K. Logsdon, Judy Garber, Patricia Conrad
TBA - WHCA
- 0945 Depart for site surveys:
1000 Parliament/Kossuth Ter: Francisco Gonzalez
1045 Karl Marx University: Joao Ecsodi
1130 Official Guest House: Mia McCall
1230 Ambassador's Residence: Jeff Feltman/Mia McCall
1300 Var: Joao Ecsodi
TBA Airport: CW2 J.D. Call
- 1300-1500 Lunch unscheduled
- 1300 Hotel site surveys:
1330 Duna InterContinental
1430 Novotel
1500 Atrium Hyatt
- 1500-1700 Follow-up meetings with Hungarian officials
1500-1700 Unscheduled time for remainder of Party
- 2000 Dinner Unscheduled

SATURDAY, June 10, 1989

- 0600 Baggage Pick-up
- 0600 Reverse Accommodation Exchange - Control Room
- 0700 Bus departs for Airport
- 0730 WHEELS UP

UNCLASSIFIED

UNITED STATES
DEPARTMENT OF STATE

BUREAU OF EUROPEAN AND
CANADIAN AFFAIRS

FAX NUMBER (202) 647 0967

FROM: <u>Jeanne Schultz</u>	<u>EUR/FEY</u>	<u>7-3298</u>	<u>5219</u>
Name	Office Symbol	Extension	Room Number

MESSAGE DESCRIPTION _____

<u>TO:</u>	<u>DELIVER TO:</u>	<u>EXTENSION:</u>	<u>ROOM NUMBER</u>
<u>PEGGY DOOLEY</u>	_____	<u>456-6218</u>	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REMARKS: BIO ON MARK PALMER

UNCLASSIFIED



United States Department of State

Washington, D.C. 20520

ROBIE M.H. (Mark) PALMER

U.S. AMBASSADOR TO HUNGARY

Mark Palmer majored in Soviet studies at Yale University graduating Phi Beta Kappa in 1963. He worked briefly at the "New York Times" and WNDT-TV. Joining the Foreign Service in 1964, he has served overseas at American Embassies in India 1964-66, the Soviet Union 1968-71, and as Counselor for Political Affairs in Yugoslavia 1975-78. In the State Department he has worked on NATO security affairs 1966-68, and as a member of the Policy Planning Staff and principal speechwriter to Secretaries Rogers and Kissinger 1971-75.

Mr. Palmer was Director of an office in the Bureau of Political-Military Affairs dealing with a range of strategic nuclear, theater nuclear and conventional weapons issues primarily relating to the Soviet Union (1978-80). He was given the Department's Superior Honor Award for his work in this area. From 1980-82 he was first Deputy for Policy in the Bureau of European Affairs and then Deputy to the Under Secretary for Political Affairs.

From 1982-86, as Deputy Assistant Secretary of State for European Affairs, Mr. Palmer was responsible for developing policies and managing our relations with the Soviet Union, Eastern Europe and Yugoslavia. He played a major role in organizing and was present at the Reagan-Gorbachev Summit in 1985.

Mr. Palmer began his duties as U.S. Ambassador to Hungary in December 1986.

32 HONG KONG—ICELAND

HONG KONG

HONG KONG (CG), 26 Garden Rd.; Box 30, FPO San Fran 96058-0000;
Tel (852) (5) 239011; Telex 63141 USDOC HX

CG: Donald M. Anderson	ADM: D. Thomas Linville
DPO: Arthur L. Kobler	RSO: John Kaufmann
POL/ECO: Kaara J. Weaver	AGR: Phillip C. Holloway
COM: Ying Price	PAO: Robert E. Knopes
CON: John H. Adams	CUS: John L. Rennish

HUNGARY

BUDAPEST (E), V. Szabadsag Ter 12; Am Embassy; APO
NY 09213; Tel (36) (1) 126-450; Telex 18048 224-222; Commercial
Devel Ctr: Telex 227136 USCDC H

AMB: Mark Palmer	ADM: Wayne K. Logsdon
DCM: Donald B. Kursch	RSO: Kenneth Kayatin
POL: Thomas A. Lynch	AGR: Robert Svec
ECO: Sandra A. Dembski	(resident in Vienna)
COM: Stephan Wasylo	ODA: Col Ruth Anderson USA
CON: Elizabeth Barnett	SCI: Thomas A. Schlenker
PRESS/CULT: Robert McCarthy	

ICELAND

REYKJAVIK (E), Laufasvegur 21; FPO NY 09571-0001;
Tel (354) (1) 29100; Telex USEMB IS3044

AMB: L. Nicholas Ruwe	CON: Fredericka Schmadel-Heard
DCM: James K. Connell	ADM: Joseph R. Manzanares
POL: Richard H. Zorn	RSO: Christopher Lyons
POL/MIL: Clyde P. Berryman	(resident in Copenhagen)
ECO/COM: Jay L. Dehnlow	PAO: Hugh J. Ivory

INDIA 33

INDIA

NEW DELHI (E), Shanti Path, Chanakyapuri 110021; Tel (91) (11)
660051; Telex 631-65269 USEM IN; USIS Tel 331-6941 or 4251

CHG: R. Grant Smith	RSO: Frank E. Juni
POL: George F. Sherman	SCI: Peter Hydemann
ECO: Duane C. Butcher	AGE: Lyle J. Sebranzek
COM: Melvin W. Searla, Jr.	AID: Robert N. Bakley
LAB: William R. Salisbury	PAO: Leonard Badyga
CON: Leo Wollebomberg	ODA: Col Leon T. Hunt
ADM: Bert C. Moore	ODC: Col Scott Fisher
	USAF

BOMBAY (CG), Lincoln House, 78 Bhulabhai Desai Rd. 400026;
Tel (91) (022) 822-3611; Telex 011-75425 ACON IN

CG: John J. Eddy	CON: John W. Vessey III
POL: Andrew C. Mann	ADM: James L. Williams
ECO: David E. Thurman	BPAO: Alan L. Gilbert
COM: David A. Hughes	

CALCUTTA (CG), 5/1 Ho Chi Minh Sarani, Calcutta 700071;
Tel (91) (833) 44-3611; Telex 021-2483

CG: Kenneth C. Brill	CON: Richard D. Haynes
POL/ECO: (Vacant)	ADM: Stephen B. Hogard
ECO/COM: James C. Newmann	BPAO: Bruce J. Kruetzer

MADRAS (CG), Mount Rd. 600008; Tel (91) (44) 473-046/477-542

CG: Thomas E. Timberman	CON: Gilbert J. Sperling
POL/ECO: Nancy C. Johnson	ADM: Edward C. Pope
COM: (Vacant)	BPAO: John Challinor

BOMBAY
 MU
 POL
 BUDAPEST
 RD
 BUDAPEST
 YO

HUNGARY

1st Mtg Room - Parliament

Munkacsy - Sizing up of Lubase Room

2nd Mtg Room

Famous battles of Hungary, & famous churches of the world
Nanderfeshvar Room

3rd Mtg Room
Delegation Room

wedding painting (?) by Dudacs Andor, 1901

Coat of Arms of Kings & Provinces of Ancient Hungary around painting

Entrance

96 steps - 960 AD Hungarians ~~occupied~~ claimed land

Dinner

Hunter's Room

got drawing

Healie Kerkhof
Sheridan School - 14, M-F
3-4 yrs. old
JCC Day School
Malomo Street -
video
CBS -
WCBS -
75-
Carlene Mitchell
once a wk. intergenerational program
#321
2325

Karl Marx Univ

P. Kogut

During the 2nd World War in the uprising
against the fascists, under the direction
of the Freedom Front of Hungarian students,
fighting for the liberation of our
country, as a member of the Sergey
Partisan Flag Group, together
w/ their brave ~~colleagues~~ dead colleagues,
this economic student

Hecstelendy Janos

died as a hero, fighting
died defending the HQ of the Partisans in
Bimbu ^{operational}

erected an 25th anniversary of his death
of the liberation of Hungary

Aula Hall

Central/Main Hall

from Customs House

(3-4 days)

student ~~at~~ dean elected for one day
each year - spring

all first grades present candidates

for student dean - run campaign

"Univ of Economics Day"

Hated
Political "Economics"
Computer Science

James
History
Philosophy
Finance

Ambassador's Residence

General's Statue - Bandholz

~~Francis~~

Tancsics Mihaly (Tan-cheech Mi-hi)

Kossuth held here, taught himself English

looks across river to Parliament
May 5, 1837 - May 10, 1840
~~from 1844, for about a year & a half~~

American - owned now

Marines live here

On Kossuth held now = weight room

built ~ 1810

→ held prisoners aussi

Mar 4, 1847 to Mar 15, 1848 + again
Mar 15, 1860 - Mar 13, 1867

Mentwin EE Symposium

McGroarty/Dooley
June 27, 1989
6:00 pm
Draft 1

PRESIDENTIAL REMARKS: TOAST AT THE HUNGARIAN PARLIAMENT
BUDAPEST, HUNGARY
JULY 11, 1989
0:00 PM

clips - Dan
[Introductory remarks....] I am delighted to have this opportunity to visit Hungary once again, and to see -- first-hand -- the remarkable changes taking place here.

article article X
We live at a great moment in human affairs -- an era when change is shaking the existing order. From Beijing to Budapest -- from the dashed hopes of Tiananmen Square, to the long-delayed day of healing in Heroe's Square less than a month ago -- we're witnessing the emergence of democratic ideas whose appeal is universal, whose impact is worldwide.

emb
emb
Here in the heart of Central Europe, Hungary is at the center of change. Your nation is involved in an unprecedented experiment -- an evolution towards a more open economy, towards a more open and pluralistic political system.

?
No one now denies that reform is the path to the future. In nation after nation, decades of experience have proven beyond any doubt the poverty of an idea: the idea that progress is the product of state control.

State control simply cannot provide sustained **economic** growth -- nor can it provide a regime the **political** legitimacy it needs to govern.

In Hungary today, there is a deepening consensus on the direction reform must take -- on a **new model for state and society: in economics, the free market; in politics, pluralism.**

multi-party system

The key to **economic** success is letting the market do its work. That means an end to state ownership. It means an end to subsidies for loss-making firms -- dead weight that drags down overall economic growth. It means factories and enterprises of all kinds run according to the **rules of the marketplace** -- according to the laws of supply and demand -- **not the dictates of the Party.**

meddling interference from the state

And economic competition has a parallel in the political sphere. Pluralism is nothing more than an open and honest competition between parties -- a competition between points of view. Pluralism is what we in the West call the **marketplace of ideas.** The free and open elections Hungary will hold next year will mark a great advance for democracy and political freedom.

All Hungarians should look to the future with confidence in what Hungary **can be.** This is only the beginning: I see in Hungary's future a country of hundreds of thousands of small

enterprises -- sources of innovation, productivity and prosperity. I see in Hungary's future new voices speaking out, shaping the course of national affairs.

The road ahead will be difficult -- there's no denying that. But I have no doubt at all in Hungary's ability to meet and master that challenge -- to make reform succeed.

The key is Hungary's most precious resource: its people. Each individual is an **infinity of possibilities** -- and in the collective capability of those individual talents lies the future of your nation.

So let us now raise our glasses:

To the friendship between the American and Hungarian people;

To the future of Hungarian reform;

And to the renaissance of the Hungarian nation. Kedves

emil ~~emil~~ egeszsegükre [KED-vesh AGAYS-shegookray.]

#

much more formal

*Frank Foldvary
647-3646*

egesh - egue - kreh

egesh - shay - goo - kreh

Henry Sampson (Mrs. Bush)

alleged + likely - Francis Cooke
married to Hester^{le} Mahieu
in Leiden

one sister = ancestor of
Belarus

John Alden, Priscilla
Mullins, Miles Standish

Univ seal hid so
no one old graduate

Jeremy Bangs

Plymouth Plantation

~~Plymouth~~ Pilgrim Society
Plymouth

508/746 -
1622

Degeus - grocery store (near
Putterlick Historical
Museum)
Univ. Museum
William Otterspeer

John Tilley

Joan Hurst

John Howland (FDR) - Elizabeth Tilley

Henry (younger)
Arthur (brothers)

Am tourist - + to think our ancestors
built such a beautiful church
in only 11 yrs.

major tobacco sellers, tobacco-pipe makers