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Tina

PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
JULY 12, 1:15 P.M.

LADIES AND GENTLEMEN, DR. CSAKI (CHAH-KEE). IT'S A PLEASURE TO BE BACK IN BUDAPEST, AND I AM PROUD TO BE THE FIRST AMERICAN PRESIDENT TO VISIT HUNGARY.

SOME MIGHT FIND IT IRONIC THAT I AM SPEAKING AT A UNIVERSITY NAMED AFTER KARL MARX. BUT THE FACT THAT I AM HERE TODAY IS LESS A CAUSE FOR SURPRISE THAN PROOF THAT AMERICA WELCOMES THE UNFETTERED COMPETITION OF IDEAS.

THE UNIVERSITY'S PRINCIPAL TASK IS TO PROMOTE THIS COMPETITION. THAT IS THE SPIRIT THAT BRINGS US TOGETHER -- A SPIRIT THAT GUIDED A GREAT TEACHER AT KARL MARX UNIVERSITY, WHOSE NAME WAS IMRE (EEMH-RAY) NAGY (NUDGE). ((PAUSE))

AS HIS FUNERAL PROCEEDED IN HEROES' SQUARE A FEW WEEKS AGO, THE RISING VOICE OF HUNGARY WAS HEARD RECITING THE SZOZAT [SO-ZAT]. AND IN THIS SIMPLE, SOMBER CEREMONY, THE WORLD SAW SOMETHING MORE THAN A DIGNIFIED ACT OF RECONCILIATION. WE WITNESSED AN ACT OF TRUTH. IT IS ON THIS FOUNDATION OF TRUTH, MORE SOLID THAN STONE, THAT HUNGARIANS HAVE BEGUN TO BUILD A NEW FUTURE . . . A GENERATION WAITED TO HONOR IMRE (EEMH-RAY) NAGY'S (NUDGE'S) COURAGE; MAY A HUNDRED GENERATIONS REMEMBER IT.

WHILE HUNGARY REDISCOVERS ITS NATURAL ROLE IN THE AFFAIRS OF EUROPE, THE WORLD AGAIN LOOKS TO YOU FOR INSPIRATION. A POPULAR NON-FICTION BOOK IN MY COUNTRY TODAY IS ENTITLED <u>BUDAPEST 1900</u>. DR. JOHN LUKACS LOVINGLY DESCRIBES THE BUDAPEST OF MEMORY, WITH ITS PROUD STOCK EXCHANGE AND GREAT OPERA; A TIME WHEN EUROPE'S FIRST ELECTRIC SUBWAY RAN UNDERNEATH THE HANDSOME SHOPS OF ANDRASSY AVENUE.

A CITY THAT RIVALED PARIS IN ITS SPLENDOR . . . VIENNA IN ITS MUSIC . . . LONDON IN ITS LITERATURE. A CENTER OF LEARNING THAT ENLIGHTENED THE WORLD, AND GAVE AMERICA ONE KIND OF GENIUS IN JOSEPH PULITZER, AND ANOTHER IN BELA BARTOK. BUT FOR FOUR DECADES, THIS GREAT CITY, THIS GREAT NATION, SO CENTRAL TO THE CONTINENT IN EVERY RESPECT, HAS BEEN SEPARATED FROM EUROPE AND THE WEST.

TODAY HUNGARY IS OPENING AGAIN TO THE WEST -- BECOMING A BEACON OF LIGHT IN EUROPEAN CULTURE. I SEE PEOPLE IN MOTION. I SEE COLOR, CREATIVITY, EXPERIMENTATION. I SEE A NEW BEGINNING FOR HUNGARY . . . THE VERY ATMOSPHERE OF BUDAPEST IS ELECTRIC, ALIVE WITH OPTIMISM.

YOUR PEOPLE AND YOUR LEADERS -- GOVERNMENT AND OPPOSITION ALIKE -- ARE NOT AFRAID TO BREAK WITH THE PAST, TO ACT IN THE SPIRIT OF TRUTH. AND WHAT BETTER EXAMPLE OF THIS COULD THERE BE THAN ONE SIMPLE FACT: KARL MARX UNIVERSITY HAS DROPPED <u>DAS KAPITAL</u> FROM ITS REQUIRED READING LIST . . .

SOME HISTORIANS ARGUE THAT MARXISM AROSE OUT OF A HUMANE IMPULSE. BUT KARL MARX TRACED ONLY ONE THREAD OF HUMAN EXISTENCE, AND MISSED THE REST OF THE TAPESTRY -- THE COLORFUL AND VARIED TAPESTRY OF HUMANITY. MARX REGARDED MAN AS HAPLESS --UNABLE TO SHAPE HIS ENVIRONMENT OR DESTINY. BUT MAN IS NOT DRIVEN BY IMPERSONAL ECONOMIC FORCES. HE IS NOT SIMPLY AN OBJECT ACTED UPON BY MECHANICAL "LAWS" OF HISTORY.

RATHER, MAN IS IMAGINATIVE AND INVENTIVE. HE IS ARTISTIC, WITH AN INNATE NEED TO CREATE AND ENJOY BEAUTY. HE IS A LOVING MEMBER OF A FAMILY, AND A LOYAL PATRIOT TO HIS PEOPLE. MAN IS DYNAMIC, DETERMINED TO SHAPE HIS OWN FUTURE.

THE CREATIVE GENIUS OF THE HUNGARIAN PEOPLE, LONG SUPPRESSED, IS AGAIN FLOURISHING IN YOUR SCHOOLS, YOUR BUSINESSES, YOUR CHURCHES. THIS IS MORE THAN A FLEETING SEASON OF FREEDOM. IT IS HUNGARY RETURNING TO ITS TRADITIONAL VALUES. **IT IS HUNGARY RETURNING HOME.**

VOICES LONG STILLED ARE BEING HEARD AGAIN. AN INDEPENDENT DAILY NEWSPAPER IS NOW SOLD ON THE STREETS. COMMERCIAL RADIO AND TELEVISION STATIONS WILL BROADCAST EVERYTHING FROM THE NEWS . . . TO THE MUSIC OF STEVIE WONDER. AND RADIO FREE EUROPE IS OPENING ITS FIRST EAST EUROPEAN BUREAU RIGHT HERE IN BUDAPEST.

ALONG YOUR BORDER WITH AUSTRIA, THE UGLY SYMBOL OF EUROPE'S DIVISION AND HUNGARY'S ISOLATION IS COMING DOWN, AS THE BARBED WIRE FENCES ARE ROLLED AND STACKED INTO BALES. FOR THE FIRST TIME, THE IRON CURTAIN HAS BEGUN TO PART. AND HUNGARY IS LEADING THE WAY.

THE SOVIET UNION HAS WITHDRAWN TROOPS, WHICH I ALSO TAKE AS A STEP IN OVERCOMING EUROPE'S DIVISION. AND AS THOSE FORCES LEAVE, LET THE SOVIET LEADERS KNOW THEY HAVE EVERYTHING TO GAIN, AND NOTHING TO LOSE OR FEAR, FROM PEACEFUL CHANGE. WE CAN WORK TOGETHER TO MOVE BEYOND CONTAINMENT, BEYOND THE COLD WAR.

ONE OF THE KEY STEPS IN MOVING BEYOND CONTAINMENT IS EASING THE MILITARY CONFRONTATION IN EUROPE. TO THIS END, THE NATO ALLIES JOINED, AT THE MAY SUMMIT MEETING, IN MY PROPOSAL OF A COMPREHENSIVE CONVENTIONAL ARMS CONTROL INITIATIVE -- AN INITIATIVE THAT WOULD CUT THE NUMBERS OF TANKS, ARMORED TROOP CARRIERS, ARTILLERY, COMBAT AIRCRAFT, ATTACK HELICOPTERS, AS WELL AS U.S. AND SOVIET TROOPS STATIONED ON FOREIGN SOIL IN EUROPE -- ALL TO LOWER, EQUAL LEVELS.

THE ISSUES MAY BE COMPLEX, BUT WE ARE WORKING, DAY AND NIGHT, TO GET A SOLID, HISTORIC AGREEMENT TO STRENGTHEN STABILITY IN EUROPE AND REDUCE THE RISK OF WAR. **AND WE ARE DETERMINED TO GET IT SOON.**

THERE IS NO MISTAKING THE FACT THAT WE ARE ON THE THRESHOLD OF A NEW ERA. AND THERE IS ALSO NO MISTAKING THE FACT THAT HUNGARY IS AT THE THRESHOLD OF GREAT AND HISTORIC CHANGE. YOU ARE WRITING A REAL CONSTITUTION -- AND YOU ARE MOVING TOWARD DEMOCRATIC, MULTI-PARTY ELECTIONS.

THIS IS PARTLY POSSIBLE BECAUSE BRAVE MEN AND WOMEN HAVE FORMED OPPOSITION PARTIES. AND THIS IS POSSIBLE BECAUSE HUNGARIAN LEADERS ARE GOING TO SHOW THE ULTIMATE POLITICAL COURAGE -- THE COURAGE TO SUBMIT TO THE CHOICE OF THE PEOPLE IN FREE ELECTIONS.

BUT TO SUCCEED IN REFORM, YOU WILL NEED PARTNERS -- PARTNERS TO HELP PROMOTE LASTING CHANGE IN HUNGARY. I AM HERE TO OFFER HUNGARY THE PARTNERSHIP OF THE UNITED STATES OF AMERICA.

THREE VITAL SPHERES STAND OUT IN OUR PARTNERSHIP -- ECONOMICS, THE ENVIRONMENT, AND DEMOCRATIC AND CULTURAL EXCHANGE.

INVESTMENT IN HUNGARY

THE UNITED STATES BELIEVES IN THE ACCELERATION OF PRODUCTIVE CHANGE, NOT IN ITS DELAY. SO THIS OUR GUIDING PRINCIPLE -- THE UNITED STATES WILL OFFER ASSISTANCE NOT TO PROP UP THE STATUS QUO, BUT TO PROPEL REFORM.

OF COURSE, THE WEIGHT OF THE PAST STILL BURDENS HUNGARIAN ENTERPRISE. THERE ARE REMNANTS OF THE STALINIST ECONOMY -- HUGE, INEFFICIENT INDUSTRIAL PLANTS; A BEWILDERING PRICE SYSTEM NO ONE UNDERSTANDS; THE MASSIVE SUBSIDIES THAT CLOUD ECONOMIC DECISIONS -- ALL OF THIS SLOWS WHAT YOU COULD OTHERWISE ACHIEVE. IT'S AN ECONOMIC RUBIK'S CUBE THAT DEFIES SOLUTION.

TO MAKE THE TRANSITION TO A PRODUCTIVE ECONOMY WILL TEST YOUR METTLE AS A PEOPLE. THE PRICES OF SOME COMMODITIES MAY RISE. SOME INEFFICIENT FACTORIES WILL CLOSE. BUT THE HUNGARIAN GOVERNMENT IS INCREASINGLY LEAVING THE BUSINESS OF RUNNING SHOPS TO SHOPKEEPERS AND FARMS TO FARMERS. AND THE CREATIVE DRIVE OF THE PEOPLE, ONCE UNLEASHED, WILL CREATE A MOMENTUM OF ITS OWN. THIS WILL BRING YOU A GREATER TREASURE THAN SIMPLY THE RICHES YOU WILL CREATE. IT WILL GIVE EACH OF YOU CONTROL OVER YOUR DESTINY . . . **A HUNGARIAN DESTINY.**

AND, AS I SAID, THE UNITED STATES WILL BE YOUR PARTNER IN THIS TRANSFORMATION TO A SUCCESSFUL ECONOMY.

LAST THURSDAY, I INVITED AMERICAN LEADERS FROM BUSINESS, EDUCATION, LABOR AND OTHER FIELDS -- TO COME TO THE WHITE HOUSE AND DISCUSS THE NEW PRIVATE SECTOR OPPORTUNITIES OPENING UP IN HUNGARY. THEIR RESPONSE WAS ENTHUSIASTIC. THIS WAS ESPECIALLY TRUE OF HUNGARIAN-AMERICANS, SO PROUD TO BE BUILDING A BRIDGE BETWEEN THEIR NEW COUNTRY AND THEIR MOTHERLAND. AS LONG AS OUR TWO GOVERNMENTS EASE THE WAY, THE PEOPLE OF AMERICA AND HUNGARY CAN DO THE REST.

IT IS IN THIS SPIRIT THAT I ANNOUNCE THE FOLLOWING MEASURES.

FIRST, AS I SAID IN WARSAW, I WILL PROPOSE AT THE PARIS ECONOMIC SUMMIT CONCERTED WESTERN ACTION FOR POLAND AND HUNGARY, TO BACK YOUR REFORMS WITH ECONOMIC AND TECHNICAL ASSISTANCE FROM THE SUMMIT PARTNERS. OF COURSE, OUR EFFORTS FOR HUNGARY WILL BE TARGETED TO YOUR NEEDS.

SECOND, I WILL ASK THE U.S. CONGRESS TO AUTHORIZE A $25 MILLION FUND AS A SOURCE OF NEW CAPITAL TO INVIGORATE THE HUNGARIAN PRIVATE-SECTOR. I WILL ALSO ENCOURAGE PARALLEL EFFORTS FROM THE OTHER NATIONS OF THE ECONOMIC SUMMIT.

THIRD, ONCE YOUR PARLIAMENT PASSES THE NEW EMIGRATION LEGISLATION PROPOSED BY YOUR COUNCIL OF MINISTERS, I WILL INFORM OUR CONGRESS THAT HUNGARY IS IN FULL COMPLIANCE WITH THE JACKSON-VANIK AMENDMENT TO OUR 1974 TRADE LAW. NO COUNTRY HAS YET BEEN RELEASED FROM THE RESTRICTIONS OF THIS AMENDMENT. SO I AM PLEASED TO TELL YOU THAT HUNGARY WILL BE THE FIRST. ((PAUSE)) THIS ACTION WILL GIVE HUNGARY THE MOST LIBERAL ACCESS TO THE AMERICAN MARKET FOR THE LONGEST TERM POSSIBLE UNDER OUR LAWS.

FOURTH, AMERICA IS PREPARED TO PROVIDE YOUR COUNTRY WITH ACCESS TO OUR GENERALIZED SYSTEM OF PREFERENCES, WHICH OFFERS SELECTIVE TARIFF RELIEF. SIMPLY PUT, THESE LAST TWO MEASURES WILL ALLOW YOU TO TAKE ADVANTAGE OF THE LARGEST SINGLE MARKET IN THE WORLD.

FIFTH, WE HAVE CONCLUDED A DRAFT AGREEMENT TO AUTHORIZE THE OVERSEAS PRIVATE INVESTMENT CORPORATION TO OPERATE IN HUNGARY. ONCE OUR SENATE PASSES ENABLING LEGISLATION, OPIC WILL BE ABLE TO PROVIDE INSURANCE TO ENCOURAGE AMERICAN INVESTMENT IN PRIVATE ENTERPRISES IN HUNGARY. THROUGH OPIC, AMERICAN BUSINESS EXECUTIVES WILL SEE FIRSTHAND THE GREAT OPPORTUNITY OF HUNGARY.

PRIVATE INVESTMENT IS CRITICAL FOR HUNGARY. IT MEANS JOBS, INNOVATION, PROGRESS. BUT MOST OF ALL, PRIVATE INVESTMENT MEANS A BRIGHTER FUTURE FOR YOUR CHILDREN; A BRIGHTER FUTURE FOR HUNGARY.

ENVIRONMENTAL INITIATIVE

YET ECONOMIC PROGRESS CANNOT BE AT THE EXPENSE OF THE AIR WE BREATHE AND THE WATER WE DRINK. SIX WEEKS AGO, IN MAINZ, I PROPOSED COOPERATION BETWEEN EAST AND WEST ON ENVIRONMENTAL ISSUES. THAT IS WHY I WILL ASK THE U.S. CONGRESS TO APPROPRIATE $5 MILLION TO ESTABLISH AN INTERNATIONAL ENVIRONMENTAL CENTER FOR CENTRAL AND EASTERN EUROPE, TO BE BASED IN BUDAPEST, WHICH WILL BRING TOGETHER PRIVATE AND GOVERNMENT EXPERTS AND ORGANIZATIONS TO ADDRESS THE ECOLOGICAL CRISIS. OUR SHARED HERITAGE IS THE EARTH. AND THE FATE OF THE EARTH TRANSCENDS BORDERS; IT IS **NOT JUST AN EAST-WEST ISSUE.**

HUNGARY HAS LED EASTERN AND CENTRAL EUROPE IN ADDRESSING THE CONCERNS OF YOUR CITIZENS FOR CLEANER AIR AND WATER. NOW YOU CAN DO EVEN MORE, WORKING WITH THE WEST TO BUILD A BRIDGE OF TECHNICAL AND SCIENTIFIC COOPERATION.

ALONG THESE LINES, I AM ALSO PLEASED TO ANNOUNCE THAT THE U.S. HAS PROPOSED AN AGREEMENT BETWEEN OUR TWO COUNTRIES TO ESTABLISH SCIENTIFIC AND TECHNICAL COOPERATION IN THE BASIC SCIENCES, AND IN SPECIFIC AREAS, INCLUDING THE ENVIRONMENT, MEDICINE AND NUCLEAR SAFETY.

DEMOCRATIC AND CULTURAL EXCHANGE

IT IS MY HOPE THAT THIS VISIT WILL ALSO LEAD TO A WIDER EXCHANGE BETWEEN EAST AND WEST, SO OUR SCIENTISTS, OUR ARTISTS AND OUR ENVIRONMENTALISTS CAN LEARN FROM ONE ANOTHER . . . **SO THAT OUR SOLDIERS AND STATESMEN CAN DISCUSS PEACE AND OUR STUDENTS CAN DISCUSS THE FUTURE.** ((PAUSE))

BUT TO DISCUSS ANYTHING REQUIRES A COMMON LANGUAGE. THE TEACHING OF ENGLISH IS ONE OF THE MOST POPULAR AMERICAN EXPORTS. AS STUDENTS YOU KNOW THAT ENGLISH IS THE LINGUA FRANCA OF WORLD BUSINESS, THE KEY TO CLINCHING DEALS FROM HONG KONG TO TORONTO. SO TO OPEN THE GLOBAL MARKET TO MORE HUNGARIANS, I AM PLEASED TO ANNOUNCE THAT THE PEACE CORPS WILL, FOR THE FIRST TIME, OPERATE IN A EUROPEAN COUNTRY. AND OUR PEACE CORPS INSTRUCTORS WILL COME TO BUDAPEST AND ALL 19 COUNTIES TO TEACH ENGLISH.

IN SUCH EXCHANGES, WE WANT TO HELP YOU IN YOUR QUEST FOR A NEW BEGINNING AS A DEMOCRATIC HUNGARY. SO THE UNITED STATES IS ALSO COMMITTING MORE THAN $6 MILLION TO CULTURAL AND EDUCATIONAL OPPORTUNITIES IN EASTERN EUROPE. WE WILL MAKE AVAILABLE FUNDS FOR A SERIES OF MAJOR NEW U.S.-HUNGARIAN EXCHANGE PROGRAMS -- AMONG CONGRESSMEN AND LEGISLATIVE EXPERTS, AMONG LABOR AND BUSINESS LEADERS, AMONG LEGAL EXPERTS, AMONG COMMUNITY LEADERS, EDUCATORS AND YOUNG PEOPLE. WE ARE CREATING DOZENS OF FELLOWSHIPS TO ENABLE HUNGARIANS TO STUDY AT AMERICAN UNIVERSITIES. AND WE WILL FUND ENDOWED CHAIRS IN AMERICAN STUDIES AT YOUR UNIVERSITIES . . . AND BOOKS -- MANY THOUSANDS OF THEM -- TO FILL THE SHELVES OF YOUR NEW INTERNATIONAL MANAGEMENT CENTER AND THE LIBRARIES OF SCHOOLS AND UNIVERSITIES ACROSS HUNGARY.

THE UNITED STATES WILL ALSO OPEN, WITHIN THE NEXT SEVERAL YEARS, AN AMERICA HOUSE IN THE CENTER OF BUDAPEST. TODAY, THE CELEBRATED AMERICAN ARCHITECT ROBERT STERN IS RELEASING HIS DESIGN FOR THIS CENTER, WHICH WILL BE AN OPEN HOUSE OF BOOKS, MAGAZINES AND VIDEOCASSETTES -- AN OPEN HOUSE OF IDEAS.

CONCLUSION

IN ECONOMIC REFORM AND DEMOCRATIC CHANGE, IN CULTURAL AND ENVIRONMENTAL COOPERATION, THERE ARE GREAT OPPORTUNITIES -- AND GREAT CHALLENGES. HUNGARY HAS A LOT OF WORK AHEAD; SO DO THE UNITED STATES AND HUNGARY, WORKING TOGETHER TO BUILD A BETTER FUTURE -- A DYNAMIC FUTURE.

YOUR CHALLENGE IS ENORMOUS AND HISTORIC: TO BUILD A STRUCTURE OF POLITICAL CHANGE AND DECENTRALIZED ECONOMIC ENTERPRISE ON THE RUINS OF A FAILED STALINIST SYSTEM.

GIVEN THE OPPORTUNITY TO SHOW YOUR CHARACTERISTIC INITIATIVE, CREATIVITY AND RESOURCEFULNESS, I BELIEVE THAT THE HUNGARIAN PEOPLE WILL MEET THE CHALLENGE. YOU STAND ON THE THRESHOLD OF A NEW ERA OF ECONOMIC DEVELOPMENT AND POLITICAL CHANGE.

I BELIEVE YOU ARE READY TO MEET THE FUTURE. I SEE A COUNTRY WELL ON THE WAY. I SEE A COUNTRY RICH IN HUMAN RESOURCES AND RICH IN THE MORAL COURAGE OF ITS PEOPLE. I SEE A NATION TRANSCENDING ITS PAST AND REACHING OUT TO ITS DESTINY. I CONGRATULATE YOU FOR HAVING COME SO FAR.

LET US BE EQUAL TO THE OPPORTUNITY THAT LIES BEFORE US. LET US HAVE HISTORY WRITE OF US THAT WE WERE THE GENERATION THAT MADE EUROPE WHOLE AND FREE.

THANK YOU.

# # #

TALKING POINTS -- MEETING WITH HUNGARIAN AND AMERICAN STUDENTS PRISON AT OLD CASTLE HILL

Tina

- IT IS MOVING FOR ME TO MEET WITH YOU AT THE SITE WHERE ONE OF HUNGARY'S GREATEST FREEDOM FIGHTERS, LAJOS KOSSUTH ((LA-YOSH KO-SHOOT)) WAS IMPRISONED FOR HAVING DEFENDED HIS IDEALS. HE ALSO TAUGHT HIMSELF ENGLISH HERE.

FOR AMERICANS, HE IS AN EXAMPLE OF DEDICATION AND HEROIC SELFLESSNESS IN THE QUEST FOR FREEDOM AND DEMOCRACY.

- THIS IS ANOTHER HISTORIC PERIOD FOR HUNGARY AND FOR EAST CENTRAL EUROPE, AS CHANGES IN POLITICAL INSTITUTIONS AND ECONOMIES ARE SWEEPING MANY NATIONS THROUGHOUT THE WORLD.

- YOU, AS YOUNG PEOPLE, HAVE AN IMPORTANT ROLE TO PLAY IN THE FUTURE, YOUR OWN AND YOUR COUNTRY'S.

- EDUCATION IS THE KEY -- TO ECONOMIC GROWTH, POLITICAL FREEDOM, AND PERSONAL DIRECTION. MOST OF ALL, IT PROVIDES OPPORTUNITY. ACADEMIC EXCHANGE PROGRAMS WHICH MY ADMINISTRATION STRONGLY SUPPORTS, ARE A GOOD EXAMPLE, AND WE HOPE TO HAVE MORE OF THEM SOON.

- IT IS GRATIFYING TO SEE YOUNG MEN AND WOMEN ACTIVELY INTERESTED IN THE AFFAIRS OF THEIR COUNTRY -- ESPECIALLY THOSE OF YOU INVOLVED IN ORGANIZATIONS SUCH AS FIDESZ ((FEE-DESS)) [THE MOST DEMOCRATIC YOUTH GROUP] AND OTHERS LIKE IT.

- I'D LIKE TO HEAR YOUR VIEWS ON CURRENT EVENTS:
  -- WHAT DO YOU FEEL ARE THE MOST IMPORTANT PROBLEMS TO BE RESOLVED IN YOUR COUNTRY?

-- How do you envision your role in this reform period?

-- What is your view of private enterprise?

-- One of you will be going to the United States on July 14 for an exchange program [with the University of South Carolina] on the constitution and the rule of law. How can the United States help here in creating a society based on democratic laws and free elections?

-- Those of you who are American students here, what is your opinion about your experience in Hungary?

# # #

TTna

PRESIDENTIAL ADDRESS: HUNGARY DEPARTURE STATEMENT
JULY 13, 8:35 A.M.

I WOULD LIKE FIRST TO THANK OUR HOSTS, AND THE PEOPLE OF HUNGARY, FOR THE WARMTH OF THEIR HOSPITALITY TO BARBARA AND ME. ((ACKNOWLEDGE LEADERS))

I WAS THE FIRST VICE PRESIDENT OF THE UNITED STATES TO VISIT YOUR COUNTRY SIX YEARS AGO. BUT NOW I AM ESPECIALLY HONORED TO BE THE FIRST AMERICAN PRESIDENT TO HAVE COME TO THIS BEAUTIFUL LAND.

DURING THE PAST TWO DAYS WE HAVE MET WITH HUNGARIANS FROM EVERY WALK OF LIFE. I SAW ((TURN-OUT NUMBER)) HUNGARIANS TURN OUT AT KOSSUTH SQUARE, A REMINDER OF THE SACRIFICES OF HUNGARY'S PAST. AT PARLIAMENT, I MET WITH THE POLITICAL LEADERS OF THE PRESENT -- LEADERS WHO HAVE THE COURAGE TO CALL FOR AN HISTORIC ELECTION.

AND AT KARL MARX UNIVERSITY, I SAW THE HOPEFUL FACE OF HUNGARY'S FUTURE AND ANNOUNCED A SERIES OF AMERICAN ACTIONS TO ENGAGE MY COUNTRY MORE DEEPLY IN THAT FUTURE.

AND THROUGHOUT, I FELT A DEEPENING OF THE FRIENDSHIP BETWEEN THE AMERICAN AND THE HUNGARIAN PEOPLES.

IN JUST A MOMENT, WE WILL LEAVE FOR PARIS FOR AN ECONOMIC SUMMIT WITH WESTERN LEADERS. THIS WILL BE AN HISTORIC MOMENT FOR EUROPE, FOR THE NATIONS OF THE ECONOMIC COMMUNITY ARE MOVING STEADILY TOWARD ECONOMIC INTEGRATION IN 1992. AND THIS SHOULD MEAN MORE THAN JUST A VAST TRADE OPPORTUNITY FOR HUNGARY. AS YOUR ECONOMY MODERNIZES, YOU WILL PLAY AN EVER GREATER ROLE IN THE EVOLUTION OF A NEW EUROPE -- A EUROPE THAT IS WHOLE AND FREE.

WHILE IN PARIS, WE SHALL ALSO CELEBRATE THE INDEPENDENCE OF THAT NATION AND THE DECLARATION OF THE RIGHTS OF MAN. BUT THESE RIGHTS ARE NOT FRENCH, NOR ARE THEY AMERICAN. YOU ARE PROVING, HERE IN THE HEARTLAND OF EUROPE, THAT THE RIGHTS OF MAN ARE THE PROPER BIRTHRIGHT OF US ALL.

THANK YOU FOR YOUR WARM WELCOME, GOD BLESS YOU, AND GOD BLESS HUNGARY.

# # #

Davis/Martin
June 29, 1989
Title: Hungary
Draft: One

PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
(Date, Time)

7-12 1:15pm

Ladies and gentlemen, Dr. Csaki (CHAH-kee). It's a pleasure to be back in Budapest, and I am proud to be the first American President to visit Hungary.

Some might find it ironic that I am speaking at a university named after Karl Marx. ((And I have to admit, from my vantage point, he does seem to be staring right at me . . .)) But those who know this great university know just how fitting this forum is for an American President to address the people of Hungary.

After all, it is said that Tramline Number Two runs the nation, since it originates at Karl Marx and makes stops at the National Center, Parliament and the Central Committee. Many great Hungarian leaders have also moved along this same route, including Miklos Nemeth (Namath) and Zsigmond (Zig-mund) Jarai (JAR-ree). But before any of them, there was a teacher at Karl Marx University, and his name was Imre ((EEMH-ray) Nage (NAZH) . . .

As his slow procession moved through Heroes' Square, the rising voice of Hungary was heard in the singing of the Szozat

(SO-zat). And in this simple, somber reburial, the world saw something more than a dignified act of reconciliation. We witnessed an act of truth. It is on this foundation of truth, one more solid than stone, that Hungarians have begun to build a new future . . . **a generation waited to honor his courage; may a hundred generations remember it.**

While Hungary rediscovers its natural role in the affairs of Europe, America is rediscovering you. One of the ((bestselling)) non-fiction books in my country today is entitled Budapest 1900. Dr. John Lukacs lovingly describes the Budapest of memory . . . ((Quote to come))

This was a city that rivaled Paris in its splendor, Vienna in music and London in literature. This was a center of learning that enlightened the world, and gave America one kind of genius in Joseph Pulitzer, and another in Bela Bartok. But for decades, this great city, this great nation, so central to the continent in every respect, was torn from Europe and the West. This distance was still apparent to me even six years ago.

But the city and country I see today is again opening to the West, again becoming a leading light in European culture. I see people in motion. I see color and creativity replacing grey conformity. I sense an atmosphere that is electric, alive with optimism.

This is happening because your people and your leaders -- government and opposition alike -- have the courage to break with the past, to act in the spirit of truth. And what better example of this could there be than one simple fact: Karl Marx University has dropped Das Kapital from its required reading list . . .

Karl Marx traced only one thread of human existence, and missed the rest of the tapestry -- the colorful and varied tapestry of civilization. When Marx regarded Man, he narrowly saw an economic being. But Man is more than that.

He is artistic Man. He has an innate need to create and enjoy beauty. He is a loving member of a family, and a loyal patriot to his people. And Man is something else which cannot be denied . . . **he is a creature of God** . . .

The creative genius of the Hungarian people, long suppressed, is again flourishing in your schools, your offices, your churches. This is more than a fleeting season of freedom for Hungary. It is a Renaissance.

Voices long stilled are being heard again. An independent daily newspaper is now sold on the streets. Commercial radio and television stations, financed by American companies, will soon broadcast everything from the news . . . to Huey Lewis and the

News. And even Radio Free Europe is opening its first Budapest bureau.

Hungary's new openness at home is reflected abroad. Your government has opened relations with South Korea and may recognize Israel before long. More than one hundred thousand Americans visited Hungary last year -- and more than 20,000 Hungarians have come to America. This very university operates exchange programs with 23 U.S. schools. **For the first time, the Iron Curtain has begun to part. Hungary is changing the world.**

The Soviet Union has withdrawn many troops, which I take as a first sign that Moscow truly respects your sovereignty. And as they leave, let the Soviets know they have everything to gain, and nothing to lose or fear, from peaceful change. **Nor should we fear new thinking from Mr. Gorbachev. We can work together to move beyond containment, beyond the Cold War.**

But all of these developments, as significant as they are, pale before this -- Hungary is at the threshold of doing what no other Communist power has done in history. You are going to become the first Warsaw Pact nation to ever hold a truly free election.

This is possible because brave men and women have formed opposition parties. And this is possible because Hungarian

leaders are showing the ultimate political courage -- the courage to submit their names before the people.

While Hungary moves toward a greater future, the United States will stand by you. We are ready to help promote lasting change in Hungary in three vital spheres -- economics, cultural exchange and the environment.

ECONOMIC EXCHANGE

The United States believes aid should accelerate change, not delay it. So this our guiding principle -- the United States offers aid not to prop up the status quo, **but to propel reform.**

Of course, the dead weight of the past still burdens Hungarian enterprise. The remnants of the Stalinist economy, with its huge, inefficient industrial plants; the bewildering price system no one understands; the massive subsidies that cloud economic decisions -- all of this slows what you could otherwise achieve. It's an economic Rubik's Cube that defies solution.

And, ultimately, it's a burden to be discarded. To make the transition to a market economy will test your mettle as a people. The prices of some commodities will rise. Some inefficient factories will close. Many hard choices already await you. But the creative drive of the people, once unleashed, will create a momentum of its own. This will eventually bring you something

greater than riches -- though riches you will create. It will give you control over your destiny . . . **a Hungarian destiny.**

The Hungarian government has already started to leave the business of running shops to shopkeepers and farms to farmers. As you privatize, so will you integrate into the world economy. Just look to the West of the Danube -- your European neighbors are forming a single market. Soon you will have the chance to trade with this new economic colossus. But the United States will also be your partner in this transformation to a successful competitive economy.

So with trade in mind, once your future Parliament legalizes the free movement of its citizens, I will inform Congress that Hungary is complying with the 1974 Trade Act. This will entitle you to the maximum most-favored nation tariff status possible under U.S. law. Simply put, you will have more open access **to the largest single market in the world.**

America is also prepared to include Hungary in the generalized system of preferences, which provides duty-free entry for certain goods. **Hungary can -- and should -- develop the same trade access to the American market that your Western neighbors enjoy.**

The United States will offer some government assistance, including an entrepreneurial fund for economically depressed regions of your country. In years past, loans were written and accepted with little thought paid to their utility. We've learned that massive government and institutional loans **hobble whole nations with debt, while private investment liberates creditor and debtor alike.** The U.S. government **can** and **will** direct private-sector investment in Hungary -- investment where it counts, in Hungarian **factories, products and jobs.** ((PAUSE))

I am pleased to note the recent U.S.-Hungarian agreement to promote the formation and development of small, private businesses all across your country. Called the Hungarian Enterprise Group, this center will match venture capital, both foreign and Hungarian, with entrepreneurs -- the small businessmen and -women with the grand ideas. Perhaps some of you here today will benefit from such a collaboration.

We will soon authorize the Overseas Private Investment Corporation to encourage American investment in private enterprises in Hungary. So far, however, little encouragement has been needed. Consider the American investment company, Bears-Stearn, which has already established a special "Hungary Fund." This private pool of investment will purchase shares in Hungarian companies, helping to develop a Hungarian stock market.

What does private investment mean for Hungary? Yesterday, at Kossuth Square, I quoted the words of that great Hungarian patriot. But it was another Hungarian patriot, a contemporary of Kossuth, Count Szechenyi (Say-chaney), who coined a phrase in his great work on economics: "Hungary was not, but will be." **And Hungary will be great again.**

"Some think that Hung. has been; I'd like to think that it will be."

FACT IN

CULTURAL EXCHANGE

These are the economic proposals I will discuss with your leaders. But I am also here to meet the Hungarian people. I hope this visit leads to a wider exchange between East and West. Let our scientists, our artists, our environmentalists share the knowledge that can benefit us all. **Let our soldiers discuss peace and our students discuss the future.**

In fact, our student exchange programs are the most successful. They have grown fast and can still accommodate thousands more. For this reason, I am pleased to announce that the United States Information Agency is going to initiate six new youth exchange programs in Hungary. To the students here today, I want you to know that the doors of America's universities are open to you.

((I am pleased to announce two agreements with your government -- on tourism and civilian air exchange to come))

The United States will also open, within the next two years, an America House in the center of Budapest. The celebrated American architect Robert Stern will design the plans for this center, which will promote bilateral trade by helping Hungarians to learn American culture.

And when it comes to the language of America, the teaching of English is one of our most popular exports. As students you know that English is the lingua franca of world business, the key to clinching deals from Hong Kong to Toronto. So to give Hungarians greater entree into the global marketplace, I am pleased to announce that the Peace Corps will, for the first time, operate in a European country. And our Peace Corps volunteers will come to Budapest and all 19 counties **to teach English.**

ENVIRONMENT EXCHANGE

To learn a language, to start a business, is to embark on a great adventure. But to fulfill a promising future, we must also protect our basic common possession -- the environment. Six weeks ago, in Mainz, I proposed cooperation between East and West on environmental issues. I said that my generation remembers a Europe ravaged by war. And, of course, you have long since rebuilt your proud cities and restored your majestic cathedrals. But what a tragedy it would be if your continent was again

spoiled, this time by a more subtle and insidious danger --that of poisoned rivers and acid rain.

Hungary has led Eastern and Central Europe in addressing the concerns of your citizens for cleaner air and water. And you are leading the way in environmental agreements with the West. The U.S. Environmental Protection Agency and the Hungarian government have just agreed on new programs for exchanges and joint training of environmental experts.

((Substance to come))

Pollution is no respecter of borders. Let us work together to save our common heritage.

In economics, culture and the environment, we have much to share and learn from each other. The United States is especially determined to stand by Hungary as you meet an enormous challenge. No Communist nation has yet attempted what Hungary is already doing -- to build democracy and a free market.

((Substance on Democracy consortium/help from great parties of the West to come))

I see a great Hungarian future in the bright faces of your students. But not all young people in the East Bloc have as much

freedom as you do to plan their future. Certainly not your brothers and sisters in Transylvania.

Your press recently reported that a Romanian girl was lost in the Maros River. We are not exactly sure how she died. But we know that if she had been traveling from Hungary to Austria, she would have received nothing more than a friendly wave from the border guard. But she attempted to cross the Maros, and paid with her life . . . Her two brothers made it across safely.

I do not know this girl's name. I do not know the torments that drove her to risk her life. But we do know her heart. It is the heart of Anne Frank and Hertelendy (HERT-lindy) Jamos (Yamosh). It is the heart of youth determined to live in freedom . . .

Throughout the Communist world today, as a younger generation prepares to assume power, a great debate is underway. In this debate, Moscow advocates limited political freedom, but without economic rights. Beijing practices limited economic freedom, but without political liberty. Where are political **and** economic liberty peacefully advancing together? In Hungary.

The people of Hungary know it is not enough to let men and women **purchase** what they want or cast a symbolic vote. They must be allowed to **say** what they believe. They must be allowed to

choose their government. Limited freedom, whether it is economic or political, **will not provide sufficient room for the restless human spirit.**

I cannot help but wonder what the Hungary of the year 2000 will be like. Your capital will surely reflect the grandeur of a full century before -- the Budapest of 1900. But, beautiful though it may be, Budapest, like all Hungary, will be more than a restored work of art.

Benjamin Franklin, the sage of the American Revolution, said that love of liberty and the rights of man should someday become so widespread, "that a philosopher may set his foot upon anywhere on the surface (of the earth) and say: 'this is my country.'"

Because of your courage, that is the Hungary we can see before us; a better Hungary, a greater Hungary, a place any countryman of freedom could call home.

Thank you and God bless you all.

# # #

HITEL.

IRTA

GRÓF SZÉCHENYI ISTVÁN.

PESTEN

PETRÓZAI TRATTNER J. M. ÉS KÁROLYI ISTVÁN'
KÖNYVNYOMTATÓ-INTÉZETÉBEN.

1830.

den. Azt hitte hajdan az Angol, a' Holland is; de drágán fizetné most meg, ha némelly eszesek 's mélyebben gondolkodók nem kinszerítették volna, ugy szólván, okoskodásik terhe által a' sokaságot előitéleti 's balvélekedésibül kigázolni 's javitásik által szinte a' félvilág kinecsit honjokba halmozni. Semmi sem áll csendesen a' világon, még a' nap systemák is mozognak, — tehát csak Magyarország álljon 's vesztegeljen mozdulatlan? Nem nevetséges törekedés é ez? Vagy azt gondoljuk: hogy a' Lajtától Feketetóig, 's Beszkéd bérczeitül Dráváig fekvő, csak 4000 négyszeg mérföldnyi tartomány az universum közepe — melly körül milliárd világok forognak? Istenért! nyissuk fel szemeinket, vegyük hasznát eszünknek. Minekünk is mozdulnunk kell, akár akarjuk, akár nem 's nehogy hátrafelé nyomattassunk, 'lépjünk inkább előre'!

Munkám tartalmából kiki azt fogja látni: 'hogy a' végsőségeket 's tulságokat gyülölöm 's békítés barátja vagyok, szeretném a' számos felekezetet egyesítni, 's inkább a' lehető jót akarom elérni közép uton, mint a' képzelt jót, mellyet tán csak más világon lelendünk fel, levegő utakon. Nem nézek én, megvallom, annyit hátra, mint sok hazámfia, hanem inkább előre; nincs annyi gondom tudni 'valaha mik voltunk' de inkább átnézni, 'idővel mik lehetünk 's mik leendünk'. A' Mult elesett hatalmunkbul, a' Jövendőnek urai vagyunk. Ne bajlódjunk azért hijábavaló reminiscentiákkal, de birjuk inkább elszánt hazafiságunk 's hiv egyesülésünk által drága anyaföldünket szebb viradásra. Sokan azt gondolják: 'Magyarország — volt; — én azt szeretem hinni: lesz'!

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Franklin
OF PHILADELPHIA

ESMOND WRIGHT

THE BELKNAP PRESS OF
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CAMBRIDGE, MASSACHUSETTS
AND LONDON, ENGLAND
1986

had of its errors I sacrifice to the public good. I have never whisper'd a syllable of them abroad. Within these walls they were born, and here they shall die."[16]

* * *

What makes Franklin so compelling to study and so original is his almost total freedom from the limits of his own environment. He made the whole western world his own parish. Born poor in colonial Boston, he was at ease in Quaker Philadelphia, in royal London, and in elegant Paris; as much at home in St. Andrews as in Passy, or in Bethlehem and Easton on the Pennsylvania wilderness frontier. The reason is clear. He was far in advance of his time, not merely as editor turned scientist turned statesman, or from the prescience of so much of his writing, but because one is aware of his own awareness of challenges and of the immense potential of the human mind when left free to speculate, to question, and to experiment. One is always in a state of delight in reading Franklin's prose because of his skill in communicating his own enjoyment of the world when a lively mind is let loose in it. His was a free and a probing spirit, at home in the marketplace of ideas and inventions in an age of reason; and he knew no frontiers. Four months before his death he wrote to his English friend David Hartley, "God grant that not only the Love of Liberty but a thorough Knowledge of the Rights of Man may pervade all the Nations of the Earth so that a Philosopher may set his foot anywhere on its surface and say 'This is my country.'"[17]

God grant that not only the love of liberty but a thorough knowledge of the rights of man may persuade all the nations of the earth so that a philosopher may set his foot upon anywhere on its surface and say: "this is my country."

letter to David Harthey -- December 4, 1789

Christina's fact ✓ copy

done CMM 6-29-89 8:45pm

Davis/Martin
June 29, 1989
Title: HUNGDEP
Draft: [redacted]

PRESIDENTIAL ADDRESS: HUNGARY DEPARTURE STATEMENT
(Date, time)

8:55 AM July 13, 1989

I would like first to thank our hosts, and the people of Hungary, for the warmth of their hospitality to Barbara and me.

When we made our first visit to Hungary, six years ago, I was the first Vice President of the United States to visit Hungary. But now I am especially proud to be the first American President to visit your country.

line by line

During the past two days we have met with Hungarians from all walks of life. I saw ((turn-out number)) Hungarians turn out at Kossuth Square, a reminder of the sacrifices of Hungary's past. At Parliament, I met with the political leaders of the present -- those who have the courage to call for an historic election. And at Karl Marx University, I saw the hopeful face of Hungary's future.

7:15 7-11 7:55 7-11 1:15 7-12

And throughout, I felt a deepening of the friendship between the American and the Hungarian peoples.

In just a moment, we will leave for Paris, to meet with the leaders of the major Western economies. This will be an historic

moment for Europe, for the nations to the West of the Danube are moving steadily toward economic integration in 1992. This will mean more than just a vast trade opportunity for Hungary. As your economy modernizes, you will play an ever greater role in the evolution of a new Europe -- a Europe that is whole and free.

While in Paris, we shall also celebrate the independence of that nation and the Rights of Man. But these rights are not French, nor are they American. You are proving, here in the heartland of the continent, that the rights of man are the proper birthright of us all.

The great Hungarian patriot and poet, Sandor (SHAN-door) Petofi (Peto-FI), referred to Hungary as a nation in chains for a thousand years. **But the nation I have seen is in chains no more.**

Thank you for your warm welcome, God bless you, and God bless Hungary.

# # #

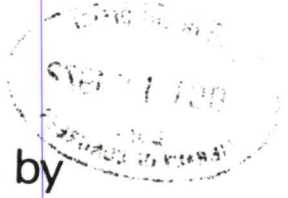
Hungarian

sándor PETŐFI

~

his entire poetic works

~



A Translation by

Frank Szomy

1972

You, who once was a ruler over them
And made them shake by the sound of your command, and
Now, as far as they are concerned, you do not even exist ...
And I shall do something for you, if something must be done!

Kolto, 1847, October

To Gabor Kazinczy

In the name of millions I lift my words,
In the name of millions I'll say
The thanks, the grateful words,
My heroic colleague, kin of my soul:
In the name of the people, to who you are loyal,
For whom you battle bravely and heroically.
The battle that this century wages
And that you and I are soldiers of
Is more holy than the crusades.
There they lay, as a new Prometheus,
The thousand-year chained people,
With the glede chewing on their livers,
And with their hands and feet bloodied by the chains.
We shall shake the chains from them,
We shall chase the gledes away from them!
Ours, ours will be victory,
For the cause, which arms us, is good,
For the good cause must be finally victorious.
The power is still with the enemy,
Our troop is still small, small, but
Those of us that there are, are all resolute men,
And if the numbers are there, the power is here,
For our weapons are sharper,
For justice is our weapon.
And victory would not be far off,
If all the fighters were like you,
You with words so almighty!
Up, up, my friend, cry out your words,
Stream out your soul's flood of flames,
That you may kindle the related hearts,
And that you may burn apart the forces of the enemy!
Rumble the final judgement
On haughtiness and stupidity,
Up, up, my friend, undismayed
And do not waver, even for a moment,
The prize, which we shall someday reap,
Shall be, for our struggles, a fitting prize ...
But what am I saying? Why do I mention this?
We do not tire, with a hope for reward,
As the lying, lowly mercenery,
But without selfishness, with the inspiration of God,
Like the apostles of old!

Kolto, 1847, October

One such day of leadership,
And life is rewarded...
Glory of Napoleon,
I would not trade with you!

Pest, 1848, March 16

To Liberty

Oh liberty, let us look into your eyes!
We have piningly waited so long for you,
Through many nights, like ghosts,
Our souls wandered about in the world in search of you.

We looked for you, the only true godliness,
On earth and in the sky,
You are eternal, the rest is an idol
Which will collapse after standing a while.

And still, still you were banished,
You hid about like the murderous Cain,
Your holy name was nailed to a whipping post,
Your coming was waited for by executioners.

Finally your long hiding has ended,
He who dug a grave for you has fallen into it,
We led you in, and in order to rule,
You have occupied the king's chair.

You are our legal king,
We stand, in celebration, at your throne,
About you are a million and million torches,
The waving flames of the fires of our hearts.

Oh, look upon us, exalted liberty!
Throw upon us a life giving glance,
That our strength, which wanes from our feverish joy,
Will be increased by the rays from your eyes.

But liberty, why is your face pale?
The memories of your sufferings have settled on you?
Or we have not done enough for you?
You fear your crown from the future?

Fear not, we will protect you...just a word,
Just lift up, just move your flag,
You will have troops by the thousands and thousands,
Troops ready to die or triumph!

And even if we would fall to a man,
We will come up from the grave at midnight,
And your victorious enemy will again have to
Struggle, with our ghostly spirits!

Pest, 1848, before March 27

defense of a position or for an attack: *within the enemy's lines.* 31. *Naut.* a pipe or hose: *a steam line.* 32. *Football.* either of the two front rows of opposing players lined up opposite each other on the line of scrimmage: *a strong line.* 33. *Textiles.* the longer and preferred flax or hemp fibers. Cf. **tow**^{2} (def. 2). 34. **draw the line,** to impose a limit on what is allowed or approved. 35. **go up in one's lines,** *U.S. Theat.* to forget one's part. 36. **hold the line,** to maintain the status quo, esp. in order to forestall unfavorable developments. 37. **in line, a.** in alignment; straight. **b.** in conformity or agreement. **c.** in control (of one's conduct). 38. **in line of duty,** in the performance of one's duty. Also, **in the line of duty.** 39. **into line, a.** into alignment. **b.** into agreement or conformity. 40. **out of line, a.** not in a straight line. **b.** *Slang.* in disagreement with what is accepted or practiced. **c.** *Slang.* impertinent; presumptuous. 41. **read between the lines,** to comprehend the unexpressed but implied meaning of something said or written. 42. **toe the line, a.** to conform strictly to a rule, command, etc. **b.** to shoulder responsibilities; do one's duty. —*v.i.* 43. to take a position in a line; range (often fol. by *up*). 44. *Baseball.* **a.** to hit a line drive. **b.** to line out. —*v.t.* 45. to bring into a line, or into line with others. 46. to hire or induce to give assistance (usually fol. by *up*): *to line up a series of lecturers.* 47. to mark with a line or lines. 48. to sketch verbally or in writing; outline (often fol. by *out*): *We followed the plan he had lined out.* 49. to arrange or form a closely set row or line along. 50. to apply liner to (the eyes). 51. *Archaic.* to measure or test with a line. 52. **line out, a.** *Baseball.* to be put out by hitting a line drive caught on the fly by a player of the opposing team. **b.** to execute or perform: *He lined out a few old songs with great gusto.* [ME, OE: cord, rope, stroke, mark, row, guiding rule < L *līnea,* n. use of fem. of *līneus* flaxen. See LINE^{2}, -EOUS] —**lin/a·ble, line/a·ble,** *adj.* —**line/less,** *adj.* —**line/like/,** *adj.*

line^{2} (līn), *v.t.,* **lined, lin·ing.** 1. to cover the inner side of. 2. to furnish or fill, as a pocket or purse with money. [ME *lyne(n)* < *line* flax, linen, OE *līn* < L *līn(um)* flax]

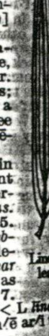
lin·e·age^{1} (lin/ē ij), *n.* 1. lineal descent from an ancestor; ancestry or extraction. 2. the line of descendants of a particular ancestor; family; race. [LINE(AL) + -AGE; r. ME *linage* < AF; OF *lignage* < LL **līneāticum;* see LINE^{1}] —**Syn.** 1. pedigree, derivation. 2. tribe, clan.

line·age^{2} (lī/nij), *n.* linage.

lin·e·al (lin/ē əl), *adj.* 1. being in the direct line, as a descendant, ancestor, etc., or in a direct line, as descent or succession. 2. of or transmitted by lineal descent. 3. linear. [late ME < LL *līneāl(is)*] —**lin/e·al·ly,** *adv.*

lin·e·a·ment (lin/ē ə mənt), *n.* 1. Often, **lineaments.** a feature or detail of a face, body, or figure, considered with respect to its outline or contour. 2. Usually, **lineaments.** distinguishing features; distinctive characteristics. [< L *līneāment(um)* a stroke, pl., features = *līneā(re)* (to) draw a line (see LINE^{1}) + *-mentum* -MENT] —**lin·e·a·men·tal** (lin/ē ə men/təl), *adj.* —**lin/e·a·men·ta/tion,** *n.*

lin·e·ar (lin/ē ər), *adj.* 1. extended or arranged in a line: *a linear series.* 2. involving measurement in one dimension only; pertaining to length. 3. pertaining to or represented by lines: *linear dimensions.* 4. consisting of or using lines: *linear design.* 5. having the form of or resembling a line: *linear nebulae.* 6. *Math.* **a.** consisting of, involving, or describable by terms of the first degree: *a linear equation.* **b.** having the same effect on a sum as on each of the summands: *a linear operation.* 7. threadlike; narrow and elongated: *a linear leaf.* [< L *līneār(is)* of, belonging to lines] —**lin·e·ar·i·ty** (lin/ē ar/i tē), *adj.* —**lin/e·ar·ly,** *adv.*



Linear leaf

Linear A, an ancient system of writing, not yet deciphered, found at Minoan sites.

lin/ear accel/erator, *Physics.* an accelerator in which particles are propelled in straight paths by the use of alternating electric voltages so timed that the particles receive increasing increments of energy.

Linear B, an ancient system of writing representing a very early form of Greek, found at Knossos and Pylos.

lin/ear equa/tion, *Math.* a first-order equation involving two variables: graphed as a straight line in the Cartesian coordinate system.

lin·e·ar·ise (lin/ē ə rīz/), *v.t.,* **-ised, -is·ing.** *Chiefly Brit.* linearize. —**lin/e·ar·i·sa/tion,** *n.*

lin·e·ar·ize (lin/ē ə rīz/), *v.t.,* **-ized, -iz·ing.** to make linear; give linear form to. —**lin/e·ar·i·za/tion,** *n.*

lin/ear meas/ure, 1. any system of measurement for measuring length. 2. any unit of measurement used in linear measure, as the inch, foot, or meter.

lin/ear perspec/tive, a system for representing depth and volume on a flat surface by means of lines converging at a point or points on a horizon line. See diag. at perspective.

lin·e·ate (lin/ē it, -āt/), *adj.* marked with lines, esp. lengthwise, parallel lines; striped. Also, **lin/e·at/ed.** [< L *līneāt(us)* lined, made straight, ptp. of *līneāre.* See LINEAMENT, -ATE^{1}]

lin·e·a·tion (lin/ē ā/shən), *n.* 1. the act of marking with or tracing by lines. 2. a division into lines. 3. an outline or delineation. 4. an arrangement or group of lines. [ME *lyneacion* < LL *līneātiōn-* (s. of *līneātiō*)]

line·back·er (līn/bak/ər), *n.* *Football.* a player on defense who takes a position close behind the linemen.

line·breed·ing (līn/brē/ding), *n.* *Genetics.* a form of inbreeding directed toward keeping the offspring closely related to a superior ancestor.

line/ cut/, *Print.* an engraving consisting only of lines or areas that are solid black or white. Cf. **halftone** (def. 2).

line/ draw/ing, a drawing done exclusively in line, providing gradations in tone entirely through variations in width and density.

line/ drive/, *Baseball.* a batted ball that travels low, fast, and straight. Also called **liner.**

line/ engrav/ing, 1. a technique of engraving in which all effects are produced by variations in the width and density of lines incised with a burin. 2. a metal plate so engraved. 3. a print or picture made from it. —**line/ engrav/er,**

line/ gale/. See **equinoctial storm.**

line·man (līn/mən), *n., pl.* **-men.** 1. Also, **linesman.** a man who installs or repairs telephone, telegraph, or other wires. 2. *Football.* one of the players in the line.

lin·en (lin/ən), *n.* 1. fabric woven from flax yarns. 2. Often, **linens.** clothing, bedding, etc., made of linen cloth or a more common substitute, as cotton. 3. yarn made of flax fiber. 4. thread made of flax yarns. 5. **wash one's dirty linen in public,** to discuss in public one's personal scandals or domestic difficulties. —*adj.* 6. made of linen. [ME *lin(n)en* (n., adj.), OE *linnen, līnen* (adj.) made of flax. See LINE^{2}, -EN^{1}] —**lin/en·y,** *adj.*

lin/en clos/et, a closet for storing sheets, towels, table linen, etc.

lin/en drap/er, *Brit.* a dry-goods merchant.

lin/en pa/per, paper made from pure linen or from substitutes that produce a similar paper finish.

line/ of/ficer, *Mil.* an officer serving with combatant units or warships, as distinguished from a staff officer, supply officer, etc.

line/ of fire/, the straight horizontal line from the muzzle of a weapon in the direction of the axis of the bore, just prior to firing.

line/ of force/, *Physics.* an imaginary line or curve in a field of force, as an electric or a magnetic field, such that the direction of the line at any point corresponds to that exerted by the force in the field at that point. Also called **field line.**

line/ of sight/, 1. Also called **line/ of sight/ing.** an imaginary straight line running through the aligned sights of a firearm, surveying equipment, etc. 2. *Astron.* an imaginary line from an observer to a celestial body, coincident with the path traveled by light rays received from the body. 3. *Ophthalm.* See **line of vision.** 4. See **sight line.**

line/ of vi/sion, *Ophthalm.* a straight line that connects the fovea centralis of an eye with the point focused on.

lin·e·o·late (lin/ē ə lāt/), *adj.* *Zool., Bot.* marked with minute lines; finely lineate. Also, **lin/e·o·lat/ed.** [< L *līneol(a)* (dim. of *līnea* LINE^{1}) + -ATE^{1}]

lin·er^{1} (lī/nər), *n.* 1. one of a commercial line of steamships or airplanes. 2. a person or thing that traces by or marks with lines. 3. *Baseball.* See **line drive.** 4. a cosmetic, esp. a grease pencil or other preparation, used to outline or highlight the eyes. [LINE^{1} + -ER^{1}]

lin·er^{2} (lī/nər), *n.* 1. a person who fits or provides linings. 2. something serving as a lining. 3. a stiff protective covering for a phonograph record. [LINE^{2} + -ER^{1}]

lines·man (līnz/mən), *n., pl.* **-men.** 1. lineman (def. 1). 2. *Sports.* **a.** an official, as in tennis and soccer, who assists the referee. **b.** *Football.* an official who marks the distances gained and lost and otherwise assists the referee and field judge.

lines/ plan/, *Naval Archit.* a set of scale drawings defining the hull form of a vessel, comprising a body plan, a half-breadth plan, and a sheer plan.

line/ squall/, (not in technical use) a squall advancing along a front that forms a more or less definite line.

line/ storm/. See **equinoctial storm.**

line-up (līn/up/), *n.* 1. an orderly arrangement of persons or things in a queue or row. 2. the persons or things themselves. 3. a technique used in police investigation in which a victim or witness is asked to identify a suspect from a number of people standing in line. 4. *Sports.* the list of the participating players in a game together with their positions. 5. an organization of people, companies, etc., for some common purpose. Also, **line/up/.**

lin ft, linear foot; linear feet. Also, **lin. ft.**

ling^{1} (ling), *n., pl.* (*esp. collectively*) **ling,** (*esp. referring to two or more kinds or species*) **lings.** 1. an elongated, marine, gadid food fish, *Molva molva,* found in Greenland and northern Europe. 2. the burbot. 3. any of various other elongated food fishes. [ME *ling, lenge;* c. D *leng;* akin to Icel *langa;* so called from its length. See LONG^{1}]

ling^{2} (ling), *n.* the heather, *Calluna vulgaris.* [ME *lyng* < Scand; cf. Icel *lyng*]

-ling^{1}, a suffix of nouns, often pejorative, denoting a person or thing connected with a group, activity, or status (*hireling; underling*), and also used to form diminutives (*princeling; duckling*). [ME, OE; c. G *-ling,* Icel *-lingr,* Goth *-lings;* orig. *-l-* (OE *-la,* hypocoristic suffix) + *-ing* -ING^{1}]

-ling^{2}, an adverbial suffix expressing direction, position, state, etc.: *darkling; sideling.* [ME, OE; adv. use of gradational var. *lang* LONG^{1}]

ling., linguistics.

lin·ga (ling/gə), *n.* (in popular Hinduism) a phallus, symbol of Siva. Also, **lin·gam** (ling/gəm). Cf. **yoni.** [< Skt, lit., *lingam* mark, token, penis]

Lin·ga·yat (ling gä/yit), *n.* *Hinduism.* a member of the Lingayata cult. [< Kanarese *lingāyata;* see LINGA]

Lin·ga·ya·ta (ling gä/yə tə), *n.* *Hinduism.* a Saiva cult emphasizing devotion and faith. Also called **Vira Saiva.** [< Kanarese; akin to Skt *linga* LINGA]

Lin/ga·yen/ Gulf/ (ling/gä yen/), a gulf in the Philippines, on the NW coast of Luzon.

ling·cod (ling/kod/), *n., pl.* **-cods,** (*esp. collectively*) **-cod.** a large-mouthed game fish, *Ophiodon elongatus,* found in the North Pacific. Also, **ling/ cod/.**

lin·ger (ling/gər), *v.i.* 1. to remain or stay on in a place, as if from reluctance to leave. 2. to remain alive, as a person, or in use, as a custom, though with diminishing vitality. 3. to dwell in contemplation, thought, or enjoyment. 4. to be tardy in action; delay; dawdle. 5. to walk slowly; saunter along. —*v.t.* 6. to pass (time) in a leisurely or a tedious manner (usually fol. by *away* or *out*): *We lingered away the summer at the beach.* 7. *Archaic.* to drag out or protract. [ME *lenger* to dwell, remain (somewhere), freq. of *lengen,* OE *lengan* to delay, prolong, lit., lengthen. See LONG^{1}, -ER^{6}] —**lin/ger·er,** *n.* —**lin/ger·ing·ly,** *adv.* —**Syn.** 1, 4. tarry. 1, 5. loiter.

lin·ge·rie (län/zhə rā/, lan/zhə rē/, -jə-; *Fr.* lanzhᵊ rē/), *n.* 1. undergarments, nightwear, or other intimate clothing worn by women. 2. *Archaic.* linen goods in general. [< F < MF *linge* linen (< L *līneus* of flax; see LINE^{1}) + *-erie* -ERY]

lin·go (ling/gō), *n., pl.* **-goes.** *Informal.* 1. language or speech, esp. if strange or foreign. 2. the language or speech peculiar to a particular individual. [< Lingua Franca < It *lin(gua)* tongue (< L) + Pr *(len)go* tongue < L *lingua;* see LINGUA]

-lings, var. of **-ling**^{2}. [ME *-linges.* See -LING^{2}, -S^{1}]

lin·gua (ling/gwə), *n., pl.* **-guae** (-gwē). the tongue or a part like a tongue. [< L]

lin/gua fran/ca (frang/kə), *pl.* **lingua francas, lin·guae fran·cae** (ling/gwē fran/sē). 1. any language widely used as a means of communication among speakers of other languages. 2. (*caps.*) the Italian-Provençal jargon formerly widely used in eastern Mediterranean ports. [< It: lit., Frankish tongue]

lin/gua ge·ral/ (zhə räl/), (*often caps.*) a lingua franca based on Tupi and spoken in the Amazon basin of South America. [< Pg: general language]

lin·gual (ling/gwəl), *adj.* 1. of or pertaining to the tongue or some tonguelike part. 2. pertaining to languages. 3. *Phonet.* articulated with the aid of the tongue, esp. the tip of the tongue, as *d, n, s,* or *r.* —*n.* 4. *Phonet.* a lingual sound. [< ML *linguāl(is).* See LINGUA, -AL^{1}] —**lin/gual·ly,** *adv.*

lin·gui·form (ling/gwə fôrm/), *adj.* tongue-shaped. [< L *lingu(a)* tongue + -I- + -FORM]

lin·gui·ni (ling gwē/nē), *n.* *Italian Cookery.* a type of pasta in long, slender, flat pieces. [< It, pl. of *linguino,* dim. of *lingua* tongue; see -INE^{1}]

lin·guist (ling/gwist), *n.* 1. a person skilled in several languages; polyglot. 2. a specialist in linguistics. [< L *lingu(a)* tongue + -IST]

lin·guis·tic (ling gwis/tik), *adj.* 1. of or belonging to language: *linguistic change.* 2. of or pertaining to linguistics. —**lin·guis/ti·cal·ly,** *adv.*

linguis/tic at/las. See **dialect atlas.**

linguis/tic form/, any meaningful unit of speech, as a sentence, phrase, or word.

linguis/tic geog/raphy. See **dialect geography.** —**linguis/tic geog/rapher.**

lin·guis·tics (ling gwis/tiks), *n.* (*construed as sing.*) the science of language, including phonetics, phonology, morphology, and syntax and often divided into historical linguistics and descriptive linguistics. Also called, *esp. Brit.,* **philology.** [see LINGUISTIC, -ICS]

linguis/tic stock/, 1. a parent language and all its derived dialects and languages. 2. the people speaking any of these dialects or languages.

lin·gu·late (ling/gyə lāt/), *adj.* formed like a tongue; ligulate. Also, **lin/gu·lat/ed.** [< L *lingulāt(us)* tongue-shaped = *lingul(a)* (dim. of *lingua* tongue; see -ULE) + *-ātus* -ATE^{1}]

lin·i·ment (lin/ə mənt), *n.* a liquid preparation, usually oily and aromatic, for rubbing on or applying to the skin, as for sprains or bruises. [late ME *lynyment* < LL *linimentum* ointment < *lini(re)* (var. of *linere* to smear) + *-mentum* -MENT]

li·nin (lī/nin), *n.* *Biol.* the substance forming the netlike structure that connects the chromatin granules in the nucleus of a cell. [< L *līn(um)* flax + -IN^{2}]

lin·ing^{1} (lī/ning), *n.* 1. a layer of material on the inner side of something. 2. *Bookbinding.* the material used to strengthen the back of a book. 3. the act or process of lining something. [late ME *lynyng.* See LINE^{2}, -ING^{1}]

lin·ing (lī/ning), *n.* 1. the act or process of lining. 2. the act of marking or ornamenting a surface with lines. 3. a design or ornamentation composed of lines. [LINE^{1} + -ING^{1}]

link^{1} (lingk), *n.* 1. any of the separate pieces that form a chain. 2. anything serving to connect one part or thing with another; a bond or tie. 3. a ring, loop, or the like: *a link of hair.* 4. any of a number of connected sausages. 5. a unit in a communications system, as a radio relay station. 6. a cuff link. 7. *Survey., Civ. Eng.* **a.** (in a surveyor's chain) a unit of length equal to 7.92 inches. **b.** one of 100 rods or loops of equal length forming a surveyor's or engineer's chain. 8. *Chem.* bond^{1} (def. 14). 9. *Mach.* a rigid, movable piece or rod, connected with other parts by means of pivots or the like, for the purpose of transmitting motion. —*v.t., v.i.* 10. to join by or as by a link or links; unite. [late ME *link(e)* < ODan *lænkia* chain; c. Icel *hlekkr* link (pl., chain), OE *hlence* coat of chain mail, akin to G *Gelenk* joint] —**link/a·ble,** *adj.* —**link/y,** *adj.* —**Syn.** 2. connection. 10. connect, fasten, bind.

link^{2} (lingk), *n.* a torch, esp. of tow and pitch. [? special use of LINK^{1}; the torches so called may have been made of strands twisted together in chainlike form]

link·age (ling/kij), *n.* 1. the act of linking. 2. the state or manner of being linked. 3. a system of links. 4. *Genetics.* an association between two or more genes located on the same chromosome that tends to cause the characters determined by these genes to be inherited as an inseparable unit. 5. *Mach.* an assembly of four or more rods for transmitting motion, usually in the same plane or in parallel planes. 6. *Elect.* a quantity associated with the magnetic flux in a coil or circuit, equal to the product of the number of lines of magnetic flux times the number of turns in the coil or circuit.

link·boy (lingk/boi/), *n.* (formerly) a boy hired to carry a torch for a pedestrian on dark streets.

linked (lingkt), *adj.* *Genetics.* (of a gene) exhibiting linkage. [late ME]

linked/ rhyme/, *Pros.* a rhyme in which the end of one line together with the first sound of the next line forms a rhyme with the end of another line, as in *Some birds fly / Towards the night.*

linked/ verse/, *Pros.* a Japanese verse form in which stanzas of three lines alternating with stanzas of two lines are composed by two or more poets in alternation.

link/ing verb/, a copulative verb.

Lin·kö·ping (lēn/chœ/pēng), *n.* a city in S Sweden. 70,691 (1965).

links (lingks), *n.pl.* See **golf course.** [ME *lynkys* slopes, OE *hlincas,* pl. of *hlinc* rising ground = *hlin(ian)* (to) LEAN^{1} + *-k* suffix]

Davis/Martin
July 6, 1989
Title: HUNGDEP
Draft: One

PRESIDENTIAL ADDRESS: HUNGARY DEPARTURE STATEMENT
July 13, 8:35 p.m.

I would like first to thank our hosts, and the people of Hungary, for the warmth of their hospitality to Barbara and me. ((Acknowledge leaders))

I was the first Vice President of the United States to visit your country six years ago. But now I am especially honored to be the first American President to have come to this beautiful land.

During the past two days we have met with Hungarians from every walk of life. I saw ((turn-out number)) Hungarians turn out at Kossuth Square, a reminder of the sacrifices of Hungary's past. At Parliament, I met with the political leaders of the present -- leaders who have the courage to call for an historic election. And at Karl Marx University, I saw the hopeful face of Hungary's future.

And throughout, I felt a deepening of the friendship between the American and the Hungarian peoples.

In just a moment, we will leave for Paris for an economic summit with Western leaders. This will be an historic moment for Europe, for the nations to the West of the Danube are moving steadily toward economic integration in 1992. And this will mean more than just a vast trade opportunity for Hungary. As your economy modernizes, you will play an ever greater role in the evolution of a new Europe -- a Europe that is whole and free.

While in Paris, we shall also celebrate the independence of that nation and the declaration of the Rights of Man. But these rights are not French, nor are they American. You are proving, here in the heartland of Europe, that the rights of man are the proper birthright of us all.

The great Hungarian patriot and poet, Sandor (SHAN-door) Petofi (Petoe-FI), referred to Hungary as a nation in chains for a thousand years. **But the nation I have seen is in chains no more.**

Thank you for your warm welcome, God bless you, and God bless Hungary.

# # #

TOAST FOR DINNER AT AMBASSADOR'S RESIDENCE

Mr. Prime Minister, Ladies and Gentlemen. I want to tell you all how impressed Barbara and I have been by what we have seen here today. Your country has embarked on a truly historic course.

I was particularly pleased to have the opportunity to meet with young Hungarians and discover their interest not only in Hungary's future but in the United States. Our two countries can learn a lot from one another, and I hope that as many Hungarians and Americans as possible can participate in the various exchange programs now available. Mr. Prime Minister, I know that you spent a year at Harvard. We would like to think that because of that exchange our two countries have a little more in common, that you understand our system and values.

This trip itself was a very fruitful exchange, and, Mr. Prime Minister, I want to express our thanks to the Hungarian people for sharing their ideas and culture with us. In the United States, we will watch your progress with great interest. I would like to toast your people with some old Hungarian words of encouragement: Hajra, Magyarok! (HOYra MUDyarok.)

May 25, 1989

HUNGARIAN ENTERPRISE GROUP

I. The Problem: The private sector component of the Hungarian economy is underdeveloped with no systematic approach for development or representation of interests. The sector needs to be enlarged and provided with access to investment, capital, support services, advice and counsel, and education. It also needs a new systematic approach to commercializing innovations, developing new ventures, and helping small businesses grow, all with a market orientation.

II. Background: Private ownership represents 14% of the Hungarian economy. Most of the existing privately owned enterprises are restaurants and small retail stores. Some construction, electronics, computer, and light industry private businesses have grown into small cooperatives.

Hungarian companies have limited access to capital for investment purposes and to effective educational, training, and support programs to encourage entrepreneurial activity and provide a cadre of experienced professionals to manage enterprises.

Hungarians are well educated and ranked third in the world in math and science. They are creative people who would function well in start-up business operations. Under the present socialist system businessmen and inventors have been precluded from capitalizing on their ingenuity and reaching their individual potential.

III. The Solution: A national, comprehensive program should be developed to support the private sector. This support should be provided through three functions under the general direction of the International Management Center: The Enterprise Creation, Enterprise Development and Capital Markets. All three functions will be called the Hungarian Enterprise Group.

IV. HEG Structure: The Group will be supported by the public sector (The Hungarian Government and the Hungarian Chamber of Commerce); the educational sector (The International Management Center, Karl Marx University, and the Technical University); and the private sector (the Hungarian Credit Bank, Ltd., Szenzor Management Consulting Co., and the World Bank).

The governing body is a Board of Directors responsible to a

private group of investors who would form a Hungarian Company.

The suggested Board of Directors will be composed of the following:

1. Prime Minister of Hungary
2. Rector, Karl Marx University
3. Rector, Technical University
4. Managing Director, International Management Center
5. President, Hungarian Credit Bank, Ltd.
6. President, (Other Hungarian Bank)
7. Managing Director, SZENZOR
8. President, Hungarian Chamber of Commerce
9. Business person, Foreign Company
10. Business person, Foreign Company
11. President, Association for Entrepreneurs, Hungary

An Advisory Board may be appointed for the purpose of fundraising and advice for the Center's operation.

V. Enterprise Creation: This service will include an Incubation Center and a Small Business Development Service.

The Incubation Center is a system for helping entrepreneurs develop their business skills and start and grow a company. The incubator provides facilities, support services, and business expertise in management, marketing, accounting, and finance.

The Small Business Support Service provides assistance and training to entrepreneurs and managers of existing small businesses. Short-term counseling is provided in a variety of areas such as management, marketing, financing, and operations to help these companies become more well managed.

VI. Enterprise Development: These activities are designed to help solve the complex problems involved in transforming entities from state owned facilities to private or share ownership. The operation will bring together expertise to help initiate and implement the change in ownership of state-enterprises. This function includes a Center for Privitization.

The Intrapreneurship service helps established companies create an intrapreneurial environment for new product and service development. While established companies have the capability, marketing expertise, and other assets, their bureaucracy, organizational structure, and mission statement often stifle the entrepreneurial spirit needed to facilitate growth through new and profitable ventures.

VII. Capital Markets: This will include a Venture Capital Exchange, Venture Capital Fund, and Studies in Equity

Markets.

The Venture Capital Exchange is a confidential computerized information service that matches entrepreneurs seeking capital with investors willing to offer risk capital.

The Venture Capital Fund is a monetary fund to provide start-up capital for new ventures or small businesses that desire to grow. The fund would take equity positions in firms for the exchange of capital.

The Group in Equity Markets is a research and consulting group offering advice to capital markets in Hungary. This group would be available to advise government and private entities on the best means for developing capital markets in the Hungarian market.

VIII Support Services. The HEG would be supported by four major affiliations.: Banks, Accounting Firms, Government Support Offices, and World Volunteer Agencies. Contracts would be signed with these support services but the various organizations would not be represented on the Board of Directors.

Several banks would be linked to the HEG for the purpose of providing capital for new ventures and to support clients of the HEG. The banks would participate with the HEG in advising businesses.

The Accounting Firm (preferably one established in Hungary with a market orientation) would provide accounting services to HEG clients. These services would be for developing accounting systems in firms and establishing book value for valuation purposes.

Government Support Offices would be those offices involved in new business development and privitization. These offices would coordinate their activities with the HEG

World Volunteer Agencies include the Volunteers in Technical Assistance, Center for International Private Enterprise, and the Retired Executive Program.

IX. The Role of the International Management Center: IMC would initially house the HEG with the expressed purpose of creating a self-sufficient HEG in two years. IMC would help set up and staff the infrastructure and provide continuous advice and professional support.

X. Funding: All funds for the HEG would come from donations, Hungarian government support, UNIDO, and loans from the World Bank. The Group would also gain funds from forming a Hungarian Company (not-for-profit or profit) if the partners are willing to let profits be used for the development of

the Group. The start-up capital for the Center is $2 million, including the acquisition of facilities and a one-year development phase.

XI. Initial Staffing: The Group should have a Director and several experts in each of the Center's activities. The IMC faculty will support some of the activities. Enterprise Creation functions should be developed first, then the Enterprise Development, then Capital Markets.

For further information, please contact the following people:

Ambassador Mark Palmer
or Mr. Brian O'Connor, Business Development Officer
U.S. Embassy
Budapest, Hungary
36-1-126-450

Ms. Zsuzsanna Ranki, Managing Director
or Dr. Daniel S. Fogel, Academic Director and Dean
International Management Center
1775 Budafok 1.
P.F. 113
Hungary
36-1-730-755

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 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 buid 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 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 "Datum," the country's first independent daily newspaper. 3 mos. ago Small Ads 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 and that ABC television intends to help set up an independent station. We are 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.

lost GSP, MFN due to human rights violations

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 continues. We do not want instability. At the 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 propose the extension of multi-year Most-Favored-Nation status to Hungary after passage of the legislation by your Parliament.

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 interests. 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 each other's forces and thereby gaining confidence that neither nation's forces pose unknown threats to the other.

has taken place several times

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 (PAHcheck), 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.

I would like to turn now to one of the most active areas of the relationship between our two countries, and one that 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 traveling 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.

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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.

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. USIA also has decided to extend its Hubert M. Humphrey Fellowship program to Hungary, which will send accomplished mid-career professionals to the United States for a year of study and pratical experience.

The study of the English language in Hungary has become widely popular, and we have been asked by the Hungarian government to support it. Therefore it is with particular pleasure that I 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.

-- We intend, as I have said, to 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 if its citizens.

-- We are including Hungary in the Generalized System of Preferences, which provides tariff preferences to developing and middle-income economies.

-- 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.

-- My Administration is 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.

-- After discussions with your government, the United States is supporting the establishment of a working group, the Trade and Investment Partners or TIP. The partners would include, in addition to the United States, Hungary's key Western trading partners, Japan, South Korea, major commercial banks, as well as the IMF and World Bank. TIP members would work with your government and Hungary's emerging private sector to create the conditions necessary for a resumption of economic growth in the country and the further integration of Hungary into the world economy.

-- 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 several major American companies are concluding new deals in Hungary.

A new bounty of goods will come from these deals for the Hungarian people -- Esteee Lauder perfumes, Schwinn Bicycles, Levi Strauss Jeans, Dow Styrofoam, Guardian Glass, Remington Shavers. This will increase American exports to Hungary and Hungarian exports to Europe. New services including shoe repair and UPS parcel delivery will also be available.

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 25 million dollars of agricultural equipment manufactured in the United States.

Now, I ~~will~~ 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 Center, 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 and development of small private business 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. Designed by 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.

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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 county 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 at such a time, and I and the people of America wish you well.

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6/7/89

PARLIAMENT DINNER TALK

Mr. President, ladies and gentlemen. Being with you here tonight in this beautiful building, and seeing the crowd outside in the square, I am reminded of an impression I had during my first trip to Hungary. This is a very rich country. Not as rich perhaps in the sense of traditional natural resources like gold or oil, but very rich in another way more important -- the talents and skills of the Hungarian people, your country's greatest natural resource. I am speaking of Hungarian initiative, determination and intelligence, which have enriched not only your nation but also the United States, with our two million citizens of Hungarian heritage. Both Hungarians and Hungarian-Americans have excelled in math, science, business, and the arts. I know that Americans share your sense of entrepreneurship and admire your hard work.

We also share many of the global economic challenges which face you. Our two countries must work toward building a sound domestic financial basis for our future economic growth. The economic integration of Western Europe affects important export markets for both Hungary and the United States, and our mutual interest in free trade has made us natural partners in GATT and other international negotiations. We appreciate Hungary's positive role in encouraging more open world trading practices, particularly in agriculture. Our perspectives may be different, but we also share a common concern in resolving positively the international debt crisis.

-

As we look ahead to the next century, changes in the world economy offer both of our countries tremendous opportunities. We know that a country's wealth will be based increasingly on services, intellectual property and high technology, areas in which Hungarians with their high educational levels can excel. By utilizing the advantages you have in your own population, Hungary could become the "tiger" of Eastern Europe by the 21st century.

Just as the American government must work with the American people in addressing our economic concerns, the Hungarian government and the population together must seize these challenges. For far too many years, Hungary as a whole has not been able to benefit from the talents and skills of the Hungarian people. Too many laws and regulations, and too much economic and political centralization, discouraged the sort of entrepreneurship and hard work for which Hungarians are justly famous. Even today, two-thirds of your national income flows through the government. Hundreds of oversized and mismanaged state enterprises and farms are kept alive through subsidies which drain scarce resources from productive firms and individuals and which otherwise would contribute to the health of the Hungarian economy as a whole. In spite of pressures from within and from outside the country, it has too often appeared to the outside world that Hungary has not had the strength to do more than just talk about these problems. In the meantime, the ability of the country to respond to the economic challenges of an increasingly interdependent world is seriously hindered by a growing external debt.

We watch with great interest and hope the political and economic steps you are now taking to allow individual Hungarians the freedom to make their own economic and political choices. I know that there is a serious debate within Hungary about what a market economy or market socialism is. We believe a market economy gives individuals the freedom to take their own risks and reap the results. Individuals, rather than the government, take responsibility for their success or failure. The economy as a whole and general living standards improve with increased individual enterprise. Your new law of corporate ownership and enterprise transformation are important steps in allowing a market-oriented, decentralized economy again to flourish in Hungary.

Political reform is also an important and a necessary precondition of economic reform. Initiatives such as the law on association and the new strike and emigration laws will encourage a wide range of Hungarians to excercise their rights of citizenship. They will become involved responsibly in public life. Out of increased individual participation in the economic and political life of the country, I believe, can come the solution to your most serious challenges. While difficult, this process that you have started must move forward together on both the political and economic fronts. Then your economy will respond favorably to the renewed initiatives of the Hungarian people.

While the resolve to face squarely your economic problems must come from within Hungary, I want to assure that the West, and the United States in particular, stands ready to

work with you to integrate your country into the world economy. As partners in this process, we can work together to increase investment and trading opportunities which will help you achieve your goals of enterprise restructuring and economic balance. As you continue to work toward economic and political pluralism, your American partners can help. We can assist with needed management training, small business development, and privatization and decentralization. We can cooperate in building more open markets for capital and goods, which will benefit both of our countries.

While the challenges facing you are great, I am convinced that the Hungarian people can overcome them. The opportunities ahead of you are even greater. As you say in Hungarian, "kicsi a bors, de eros" (KEEchee a borsh, de eroush) -- the pepper is small, but strong. Thank you.

-

TOAST FOR PARLIAMENT

Mr. President, this beautiful Parliament building symbolizes the greatness of the Hungarian nation at the end of the last century. The political and economic changes you endorse here today will provide the foundation for an even greater period ~~in Hungarian history~~ for Hungary on the eve of a new century. It is indeed an exciting time to visit Hungary, and we in the United States look forward to working with you as partners in political and economic development. I would like to raise a toast to the people of Hungary and to future Hungarian- American cooperation. In the words of the Hungarian national anthem, "God bless Hungary!" (Alternative: In the words of the Hungarian national anthem, "God bless the Hungarian with good spirit and plentitude!")

10:33

MEETING BETWEEN
PRESIDENT BUSH AND STUDENTS
JULY 12, 1989
AT THE VAR

PROPOSED TALKING POINTS

- It is especially moving for me to be meeting with you, Hungarian and American students, at the site where one of last century's greatest freedom fighters, Lajos Kossuth, was imprisoned for having defended his ideals. He also taught himself English here. For Americans, Lajos Kossuth is an example of dedication and heroic selflessness in the quest for freedom and democracy.

- This is another historic period in Hungary and throughout Eastern Europe.

- Youth has an important role to play in laying the foundation of your own future.

- Gratifying to see young men and women actively interested in the affairs of their country, the young people belonging to organizations like FIDESZ (the most democratic youth group) and others represented here.

- My personal view on education is that it is the foundation for everything else -- economic growth, political freedom, personal happiness.

- Strongly support academic exchange programs and will be announcing some new ones.

* * *

After these initial remarks, the President might ask some questions from the students:

- What do you feel are the most important problems to be resolved in your country?

- How do you envisage your role in this reform period?

- What is your view of private enterprise?

- One of you will be going to the United States on July 14 for an exchange program (with the University of South Carolina) on constitution and the rule of law. How can the United States help here in creating a society based on laws and free elections?

- (To the American students) What is your opinion about your experience in Hungary.

-

JF

Withdrawal/Redaction Sheet
(George Bush Library)

Document No. and Type	Subject/Title of Document		Date	Restriction	Class.
01. Report	Possible Package of Initiatives for President Bush's Visit. (10 pp.)		n.d.	P-5	

Collection:

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Office: Speechwriting, White House Office of
Series: Speech File, Backup
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(b)(9) Release would disclose geological or geophysical information

A POSSIBLE PACKAGE OF INITIATIVES FOR PRESIDENT BUSH'S VISIT

1. MFN on a long-term basis have been receiving MFN on one-year basis since 1978

Action Needed: The GOH needs to produce a new emigration law providing de jure free emigration rights. If this could be passed by Parliament by July, this would be best. An alternative would be for the GOH to produce a draft bill and announce that it is ready for submission to Parliament. The US might then announce its intention to support MFN on a long-term basis (either five years or permanent).

2. OPIC

Action Needed: The US Administration needs to inform the US Congress of its support and legislation should be introduced into the Congress authorizing OPIC to operate in Hungary. As is the case with GSP, the GOH needs to repeal the parasitism law for the subsequent review of workers' rights practices in Hungary.

if someone's not working, you can imprison them

3. Civil Aviation Agreement

Action Needed: The GOH and the USG need to hold a third round of talks on an agreement this June in Washington to finalize an agreement for signing. The Hungarian request for June talks has already been sent to Washington. The Department of State needs to schedule the talks.

Pan Am = one Am carrier
TWA has agreement w/Malev

4. Tourism Agreement

Action Needed: In order to upgrade the Memorandum of Understanding on Tourism signed last October to a full-fledged tourism agreement which would provide for the reciprocal establishment of tourism offices, both the GOH and the USG need to hold talks on the tourism agreement. One of the existing Hungarian organizations in the US involved in the tourism business could presumably be upgraded to an official tourism office if the agreement is concluded. Recommend that Hungarian Embassy in Washington be tasked to work with US Department of Commerce to produce an agreement before July for signing.

5. GSP Generalized System of Preferences

Action Needed: The GOH needs to repeal the parasitism law. Also the AFL-CIO is watching to see whether trade unions here allowed to function in a free manner.

6. West Coast Trade Office

Action Needed: The GOH needs to take certain actions regarding intelligence questions.

Conrad coal

7. Debt /NSC for updates

President Bush could announce the USG interest in working with other creditor countries, the IMF and IBRD to encourage flows of private capital needed by Hungary for restructuring, economic reform, and economic growth. The encouragement of private investment (both domestic and foreign) would be a major component of this effort. The GOH needs to commit itself to concrete actions to keep the economic and political reform process moving. Such actions would include privatization: sales of a majority interest to private individuals of a specified number of Hungarian enterprises, the establishment of credit facilities with specified funds for new private small and medium-sized businesses, and sales of a specified percentage of land to private individuals. Initially this could be done on an experimental scale to work out any problems. Assuming there is sufficient progress on economic and political reforms, the United States would be supportive with regard to further IMF programs in Hungary. (Treasury Secretary Brady may accompany the President and could hold a separate meeting with Hungarian counterparts.)

8. Hungarian Enterprise Development Center + EG

In order to provide a support structure for entrepreneurial initiatives, a Hungarian Enterprise Development Center (HEDC) could be established. This organization would facilitate the formation of new small and medium-sized ventures (private and cooperative) as well as the expansion and growth of existing ones.

We envision four major areas of operation:

-- The Venture Capital Exchange would be a confidential computerized information service that matches entrepreneurs seeking capital with investors willing to offer risk capital when there are similarities in profiles and interests.

-- The Incubation Center is a proposed new system for helping entrepreneurs develop their business skills and start companies by providing facilities, support services and business expertise in management, marketing, accounting, and finance.

-- The Small Business Development Center would provide assistance and training to entrepreneurs and managers of existing small businesses.

-- The Intrapreneurship Center would help established companies to create an entrepreneurial environment within an existing organization. While established companies have certain capabilities, marketing expertise, and other assets, their bureaucracy, organizational structure, and mission statement often stifle the entrepreneurial spirit needed to facilitate growth through new and profitable ventures.

There is an expert in these four areas now teaching at the International Management Center (Professor Robert Hisrich) who could put the HEDC together if the Hungarian Government wishes to proceed. We suggest Karl Marx and the IMC as partners.

We would foresee getting financial support from a variety of private western sources such as foundations and corporations as well as international institutions such as the World Bank. There would also need to be a significant Hungarian contribution, which could come in the form of a suitable site for the Center (the former Torley chateau) and forint/local costs. This combination of donors/sponsors has already been used to launch the International Management Center.

Action Needed: The agreement of the GOH, the Hungarian Chamber of Commerce, the Hungarian Credit Bank, Karl Marx University and the International Management Center is required. In addition, an agreement is needed to house this facility in the Torley chateau currently used by Ministry of Health's Radiation Biology Institute and located next to the International Management Center. The Biology Institute could be moved into the building which has housed the National Training Center (OVK) which is now being placed in the hands of Karl Marx University.

9. Center for Privatization tied w/HEG

This organization will bring together expertise to help initiate and implement the conversion program of state-enterprises. They will provide industry knowledge, valuation guidelines, business advice to the restructured entity. The United States has such a center in Washington which has assisted many countries in this process and could do work here. We would envision funding for this project (estimated cost U.S. dollars .7 to 1 million annually) coming from private U.S. sources, World Bank, the Hungarian Government and, hopefully, AID.

Action Needed: In addition to the need for GOH agreement, local sources of funding for forint costs is needed. This center could be colocated with the HEDC.

10. Retired Executive Program tied w/HEG

This component of the initiative would double the cadre of senior American executives who have been giving expert advice to Hungarian companies in the area of marketing, general and product management, finance and accounting. This program is extraordinarily inexpensive as the executives receive far-below commercial rates of compensation. We propose obtaining a new, matching U.S. dollars 40,000 from the Hungarian government for the U.S. dollars 40,000 George Soros puts in. This would double the size of the present program of some 5-6 executives a year.

Action Needed: The GOH needs to agree to provide funding for U.S. dollars 40,000.

11. Volunteers in Technical Assistance

VITA is a private, non-profit international development organization that makes available to individuals and groups a variety of information and technical resources aimed at fostering self-sufficiency. This group can provide services in the area of environmental management and ecology, health care, agriculture and information management. A specific program most suited to Hungary is being designed now. Funding for this effort will be sought from private sources and the World Bank.

Action Needed: The GOH needs to agree to the concept.

12. Center for International Private Enterprise

VOSZ (Nath. Assoc. of Entrepreneurs

CIPE, part of the US Chamber of Commerce family, provides grants designed to foster the development of private business to independent groups. A CIPE representative will visit Budapest in June and we hope that a program could be announced during the President's visit.

13. Announcement of New American Investments

At the time of the visit, we would like to announce the establishment of a large number of new investments on the part of American companies as well as major sales by Hungarian and U.S. companies. Among these are the following:

Ready

-- Dow Chemical: USD 14 million joint venture in styrofoam production.

-- Estee Lauder - a joint venture with Aranypok for a Vaci Utca store, eventual production. Ready for announcement.

-- Mr. Minit Shoe Repair and Key Making - three outlets for shoe repair and key making. One hundred percent owned by Mr. Minit

-- Guardian Glass: Increases in its share of a joint venture from 51 percent to 80 percent.

[largest single foreign investment in Hungary to date]

Possible

-- General Motors: Joint venture for engine production and eventually entire automobile assembly.

Hungarian Contact: Mr. Ardo, Mogurt

Foreign Contact: Aldo Fozzati, 828-26-17, Zurich

-- NOVA: While this is a Canadian company, many of its assets are American as is its President. The U.S. dollars 500 million petrochemical investment project they have under consideration could be announced during President Bush's visit if ready; NOVA's President believes this would be desirable.

Hungarian Contacts: Borsod Chemical Company, Tisza Chemical Company, Tisza Oil Company

-- Bear Stearn: Announcement of the "Hungary Fund" for U.S. dollars 100 million investment in Hungarian enterprises. 85%

-- Remington shavers: Joint venture to manufacture and market electric shavers and associated products in Hungary.

Hungarian Contact: Sandor Demjan, Credit Bank

English Language Radio Station: The Ministry of Telecommunications, Transportation and Communication has given approval in principle. The U.S. investor is now having discussions with the PTT. business news, oriented to US businessmen 95%

American Contact: Robert Lovack: 213-407 (Budapest)

-- Johnson and Johnson: Establishment of a sanitary products manufacturing and distribution business.

Hungarian Contact: Rico Manufacturing Company

-- Marriott: hotel project.

Hungarian contact: Istvan Matyas, Technoimpex

-- Dupont: The establishment of a subsidiary company. ? 80%

Foreign contact: Karl Maenz (022)885111 717 5111 (Geneva)

-- Anlinger and Co.: Purchase by an American turnaround specialist of two state-owned companies. ? eventually

Hungarian Contact: Maria Berkecz
International Investment Agency
Telephone: 567-707

"turning dogs into runners, from inside"

-- Exxon: Joint venture between Esso and Afor to operate gasoline stations between Budapest and Austria

Hungarian contact: Afor

-- Black and Decker: A joint venutre with EVIG Electric Factory, the Vidia Trade company, and General Impex to produce home tools in Hungary for the domestic market and Western Europe.

-- Establishment of the first private McDonald's franchise. ?

Hungarian contact: MNB President Ference Bartha recently told Ambassador Palmer that he believed he knew people who could set this up and that he would be in contact with him so that the franchise could be set up before the President's visit.

Long-Shots

-- Seven-Eleven stores (Southland): Opening of 24-hour convenience stores in Hungary. Discussions still in preliminary stages.

-- Sheraton hotel project

Foreign contact: Joshua Benanav, (914) 273-6476, Armonk, NY

-- NCM: Joint venture in semiconductor technology.

Hungarian contact: Mr. David, Head, Microelectronics Department, Hiradastechnika

Office Openings

-- Levi Strauss: Has decided to move its regional headquarters for Eastern Europe, Middle East, and Africa from Switzerland to Budapest. 10070

-- Atwood Richards - would like to open a trading office by July

Foreign Contact: Moreton Binn - (212) 490-1414 (New York)

UPS - parcel service - definite

Sales

-- Valmont, which manufacturers irrigation equipment, is planning to open a trade office in Budapest and is now negotiating the sales of USD 25 million of equipment.

-- McDonnell-Douglas - recently delivered an additional four helicopters for a total of 11 under its five year agricultural helicopter program.

Ikarus recently sold 400 buses to Houston. These will be equipped with U.S. engines and chassis.

The export license for the sale of Lockheed L-100's was recently approved. Hungarian plans to purchase an L-100 are unclear.

Hungarian contact: Technoimpex, Malev

14. Trade and Development Program and Borsod County

Action Needed: TDP, a USG agency which provides funds for management consulting services, is legally barred from operating in communist countries. The Secretary of State, however, has the authority to waive this prohibition if he determines that it is in the national interest. The Hungarian Ministry of Industry has already requested that a TDP grant of USD 500,000 dollars be made available to fund UEC and University of Pittsburgh participation in the Borsod county redevelopment project. The Hungarian side is to provide USD 250,000 for the project. We understand that the Council of Ministers was to meet this week to approve this expenditure of hard currency. Without a GOH commitment to provide the necessary funds, the proposed project and the authorization for TDP to operate in Hungary will not go forward.

15. English Language Program

Action Needed: As Hungarian leaders frequently have noted, foreign language ability is vital for increased trade and so forth. The Peace Corps could send 20 volunteers to teach English in each of Hungary's 19 counties and in Budapest. The GOH needs to agree to this proposal.

16. Youth Exchanges

Action Needed: USIA will soon be making the final decision on what grants will be awarded for youth exchanges under the Samantha Smith program. The USG should ensure that the grants are announced as a package by President Bush.

17. National Endowment for Democracy

Action Needed: USG should increase funding for the National Endowment for Democracy in order to support activities such as training in democratic practices, independent public opinion polling and the monitoring of upcoming multiparty elections.

18. Bilateral Exchange on Environmental Protection Techniques for Water and Industrial Processes

Action Needed: The US Government's Environmental Protection Administration (EPA) and the Hungarian environment authorities are defining projects on environmental protection techniques for water and industrial processes. The USG and the GOH should ensure that agreement is ready for announcement during the visit.

19. Regional Environmental Seminars

The USG is working with various foundations to fund three regional seminars, to be held in Hungary, on environmental issues. We should know by mid-June whether financing will be available. If funding is completed, President Bush would be able to announce this regional initiative during his visit.

20. English Language Radio Station

Action Needed: An American investor would like to establish a joint venture to run an English language radio station providing business information and music. This station would help provide a better living environment for visiting and resident English-speaking businessmen. The GOH should ensure that the required regulatory steps are taken so that the station could be announced during the visit. A proposal has been presented to the Minister of Telecommunications.

21. New Embassy Annex

Action Needed: The USG plans to build an Embassy annex to house commercial, consular, and USIA functions. The USG needs to prepare general architectural plans (taking into account current discussions with the Hungarian authorities on local regulations) before the visit so that we will be able to give the press general building sketches.

-America House

22. Technology Transfer

Both sides could state their positions on this issue during the visit. Hungary might pledge not to do acquisition of technology in violation of COCOM rules and the US could pledge to continue its efforts to reduce the number of controlled items and to expedite license decisions.

23. Humphrey Fellows

The Hubert H. Humphrey Fellowship Program brings accomplished mid-career professionals to the United States for a year of study and related practical experience. The program provides a basis for lasting ties between citizens of the United States and their professional counterparts in other countries. Granted competitively to professional candidates ages 35 to 45 with a commitment to public service in both the public and private sectors, the fellowships place the future leaders in selected U.S. universities.

Yes

Action needed: USIA, which funds the program, has already decided to introduce the program in Hungary for the academic year 1990-91. The official announcement must be timed to coincide with the President's visit.

24. [illegible] Teaching Fellows Program

This program would bring American teachers and place them for limited appointments in Hungarian schools, mostly for English language courses. The Hungarians would provide local stipends to cover in-country costs.

Action needed: USIA needs to decide formally to extend the program to Hungary, and Hungary needs to commit funds to cover local expenses.

25. [illegible]garian Publication of President Bush's Biography

Action needed: USIS has requested copyright permission and to receive both White House and Hungarian permission for the text from President Bush which is proposed for the front of the book. The Hungarian MFA is seeking a translator and publisher.

26. U.S.-Hungarian Customs Cooperation Agreement

?

The MFA has given the USG a draft of a U.S.-Hungarian Customs Cooperation Agreement. The US Customs needs to respond to the draft. Circular 175 authority has already been given.

27. **Terms of Construction Agreement**

Most of the groundwork for signing a terms of construction agreement has already been done and a site indentified. The USG needs to give Congress thirty days notice to reprogram funds so that the site can be purchased.

28. Ex-Im Line of Credit

Possible exchange of letters

The National Bank of Hungary is checking to see whether under current market conditions, it would be interested in an Ex-Im line of credit. If so, Ex-Im Board approval would be required. The Board meets every Thursday and the Ex-Im staffer who handles Hungary believes that approval could be obtained.

29. Radio Free Europe

RFE is interested in setting up an office in Hungary, the first in Eastern Europe. GOH approval is required.

30. Sabre Foundation

The Sabre Foundation donates English language books to schools, libraries, and universities. This is an on-going program, but it may be possible to organize an extra large shipment to be announced by the President.

H police beating up H taxi driver. RFE reporter saw this, managed to transmit story to Munich. Has transmission to back to H. Knocked on H Radio's door. H refuse help him transmit.

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.

-

Paris
more recent
Kossuth Square - au Ile Starto

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 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.

-

Kossuth text?
Liz

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 BATTHYANY 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.

-

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.

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 -- 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.

##

6/8/89

SPEECH AT KARL MARX UNIVERSITY

Ladies and Gentlemen, Doctor Csaki (CHAHkee):

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.

We in the United States have welcomed these first efforts toward the lifting of the political and ~~economy~~ 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

-

LADIES AND GENTLEMEN:

I WOULD LIKE FIRST TO THANK THE PEOPLE OF HUNGARY FOR THE WARMTH OF THEIR HOSPITALITY TO BARBARA AND ME. THIS HAS BEEN A VERY ENJOYABLE VISIT FOR BOTH OF US.

DURING THE PAST TWO DAYS WE HAVE BEEN MEETING WITH HUNGARIANS OF ALL WALKS OF LIFE -- POLITICAL LEADERS OF THE PRESENT AND, PERHAPS, THE FUTURE, STUDENTS, WORKING PEOPLE. AND I WOULD LIKE TO SAY THAT WE HAVE BEEN LISTENING AS WELL AS TALKING, LISTENING TO PEOPLE EXPRESS THEIR HOPES AND THEIR CONCERNS ABOUT THE FUTURE OF THIS COUNTRY. WE AMERICANS SHARE THOSE HOPES AND THOSE CONCERNS.

THERE IS A CHINESE CURSE: "MAY YOU LIVE IN INTERESTING TIMES." AS WE HAVE SO SADLY SEEN RECENTLY IN CHINA, THERE IS A LOT OF TRUTH IN THAT SAYING. CHANGE CAN BRING INSTABILITY AND INSTABILITY CAN BRING DANGER. BUT WITHOUT CHANGE THERE IS NO HOPE FOR A BETTER FUTURE, WITHOUT CHANGE NOTHING IMPROVES AND THIS ITSELF WILL EVENTUALLY LEAD TO CERTAIN DISASTER. HUNGARY IS ON THE RIGHT ROAD, THE ROAD OF PEACEFUL REFORM IN BOTH THE ECONOMIC AND THE POLITICAL SPHERES. IT IS THE WAY OUT OF THE STAGNATION OF THE PAST, OF THE SUPPRESSION OF THE ASPIRATIONS OF THE PEOPLE FOR A BETTER LIFE. YOU HAVE NO REAL CHOICE BUT TO MOVE FORWARD TOGETHER.

THE AMERICAN PEOPLE JOIN ME IN WISHING YOU GOOD LUCK IN THIS ENDEAVOR AND IN TELLING YOU THAT WE ARE WITH YOU. GOD BLESS YOU. ##

Christina

Adrienne in

George Soros

212-397-5550

In Vienna Hotel Sheraton-Wien

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Outstanding in economics + foreign trade
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reformist leaders
policy making

founded after war

2300 students
450 graduate a yr.
4 - 4.5 yrs required

Prime Minister graduated from there
former leader Nage used to be Prof. of Agric.

School rector is Csaba Csaki of the
Central Committee

Anecdote → It is said that Tramline #2 runs the country. It originates at KMU and makes stops at the National Center, Parlument, and the Central Committee.

Das Kapital has been dropped from the reading list.

Not compulsory to attend classes, "only go to interesting lessons"
3 lessons (1½ hrs. ea.) before lunch
1-4 lessons after lunch

Campus consists of four blgs.
(Aula Hall) main blg where POTUS speaks is an old

Hungarian customs bldg. Built in the 19c. neo-classical, located on Pest side of the riverbank. POTUS enters auditorium from entrance on river. The auditorium is plain except for statue with no inscription per se and a plaque that says: During the Second World War in the uprising against the facists, under the direction of the Freedom front of Hungarian students, fighting for the liberation of our country, as a member of the Gorgey Partisan Flag Group, together with their brave dead colleagues this econ. student Hertelendy Jamos died defending the oppositional HQ of the Partisans in Bimbu.

25th Anniv. of death.

2 clubs + several (3) hostiles where the students hang out. (part of Univ. but open to everyone)

Student orgnizations:
- Chapter ISEC
- Student Council
- Communist Youth League
- organization that helps students find part-time work
- students of international trade allowed to have practical internships in other countries
- group that tutors students for entrance exam
- FIDESC independent youth organization assoc w/ Free Democratic party

Khrushchev "goulash communism"

Turks 17th c
Hapburgs 1948
USSR 1956

(Mad-yar) Magyar

~~no~~ elections next yr.
not rigged

part of Europe Austria-Finland

Karl 2,000 students, opposition,
thnb, entrepeneurs
Dem founded Congress
law
22 university American
free enterprise could be
Communist out of factories
Micro-management

USSR Poland Hungary

Reformation Revolutions
Democracy

enormously high debt type of ~~E~~Central
Europe

3 to 4 billion per country
program-specific economics

disappointment is key factor
there is no magic solution
frank-talk get out there and work
fastest growing
prosperous

math + science highest

Nationalism famous hungarians

Imre Nagy

D from w/in party

~~oppo~~ optimism & courage

Levi Strauss
Schwinn (10 new companies)
family firm returned July 10 returned
American Commercial Radio station
Rock, Business & Political
Radio Free Europe

Joan Baez, Stevie Wonder

strong, fast but serious, steady, paced

intellectual movement

Student Dean - democratic elections
Famous Hungarian - here & there
American students existing subsidies

Feb.
Western Hungarian
Tulane
DATS
Fulbright

Seminars extremely popular

communist
capitalist
MBA 3 yrs. 3 yrs. Exp.

Management School
Enterprise Group

Spain extremely great example

stock market

Social democracy
constitutional Madison
We want to be Hungarians again
modern
Europeans
social sickness tradgies
highest suicide rate
heart attacks
shortened longevity

Prime Minister Weinrich
100 - 1000 employee medium-sized enterprises

800
600
400
1800

3√1800 60

business
Public
Marxist Classes
Privatization

Med school
Role model

Iron curtain
to
Marxism
Russia / Bulgaria

West Washington

1983

Austria
W/
West integration
GDR
gain
as

One month

promote small business - Athlone

creation

expansion

Recruitment

and decentralized

potential

investors

Groups in

Hungary

interest lobbies

gov. ministries

Banks

chamber of commerce

(state firms)

Letter of intent

Hungarian Anecdotal Information:

#1. Student Elections held at the end of the school year. Student Dean + Student Body elected at end of year to serve 3 day term - only occupy offices for one day. Nothing of substance transpires. The elections are a tradition and serve as a method of keeping the ideas of campaigning + elections alive in a Communist atmosphere. - political awareness

#2. Karl Marx University's initials are the same as the Hungarian Royal University - MKE. Because of how liberal Karl Marx Univ. is, the Hungarians think the name should be changed to Hungarian Royal University. A bonus point is that non of T-shirts, stickers, banner, etc. would have to be reprinted.

#3. Shandor (Alexander) Petofi
National Poet - wrote athem which every Hungarian can recite.
At the beginning of the revolution, he jumped up on the steps of the national musem and recited the 12 pts from the Austrians which became the battle cry in 1840 - March 15 - killed battle of uncertain demise.

#4. Prince Ferenc Rakoczi II
National hero in 18th century, unusual because he was a nobleman. He used to fight using castles as forts, the enemy ended up destroying all the castle trying to fight him which is why there

are no castles in Hungary today.
Transaualian Prince

#5. Arpad Father of Hungrary
Led the tribes to the area; the slavs acknowledged by slavs when slavs gave Arpad a pail of water + a shovel of dirt signifying their independence as a "nation" (896 BC)

#6. St. Steven / King Steven
Responsible for uniting tribes into a nation. Made Hungary a permanent part of Western Europe. The Pope crowned him King and crown is still the symbol of Hungary. It shows up in a great deal of European artwork and is recognizable by the bent crown.
* Sticky to talk about crown.

#7. Count Szecny
Founded Library. "Patron SAINT" of the intellectuals.

#8. Examples of Hungary's golden era, 100 yrs. ago
Almost all the buildings in Pest were built in 1870-1940

Two of the most successful enterprises in the European as well as world were founded: Ganz Mavag + Manfred Wierz Great examples of hungarian engineering + business. However government took over these industries in '56 and now they are [illegible] to the point of bankruptcy.

American Universities at KMU:

Indiana Claremont Soro Management
Pittsburg. W→ (212) 262-6300 Fund
Georgetown Inc.
Wisconsin
Berkley
Darmouth

Hungarians in America

Charles Goti - Columbia
NY-home fought in 1956

George Soros
democratic funding, Monetary assistance
Quantam Fund, Genius of finance

Dan Fried - State Dept.

Pasherski - Chamber of Commerce
economist, politician, hungarian-style

French model of government/ parliament

* Solidarity Citizens Committee - Poland

Constructive opposition

1993 - free election everywhere (both houses Senate + Sang) Roundtable Accord

Hungarian → social democratic large base

Help Poland help itself
You have to do it your responsibility, we'll stand by you

Poland Christ of Nations

Peronism

Poland can do it, the eyes of the world are upon you
Christian References

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THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

July 7, 1989

5352

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Possible Environmental Initiatives for Poland and Hungary

Purpose

To follow up your Mainz pledge of assistance to Eastern European countries in dealing with their critical environmental problems with specific programs you could announce in Poland and Hungary.

Background

After the July 5 meeting of the White House Summit Group, State was asked to work with EPA, Energy, and OMB in redesigning possible environmental initiatives for Poland and Hungary. These agencies now prefer a $15 million program for Poland, focused on cleaning up the historic city of Krakow (with clean coal technology, improved sewage treatment, and air quality monitoring), and a $5 million program for Hungary that would establish an Environmental Center for Central and Eastern Europe.

Money remains a problem. Agencies agree that start-up costs should be funded from reprogramming FY 90 funds, although only EPA has made a (small) specific commitment. If you decide to proceed with these initiatives, agencies are prepared to adjust priorities as needed and develop a cost-sharing plan that will be reflected in FY 90 reprogramming and FY 91 and 92 budget submissions.

RECOMMENDATION

That you approve the above-described environmental initiatives for your use during your upcoming trip to Poland and Hungary.

Approve_____ Disapprove_____

Attachment
Tab A Interagency Paper Describing Possible Environmental Initiatives for Poland and Hungary

cc: The Vice President
Chief of Staff

~~CONFIDENTIAL~~
Declassify on: OADR

DECLASSIFIED
PER NSC WAIVER,
By_____ NARA, Date 05/20/23

~~CONFIDENTIAL~~

Washington, D.C. 20520

~~CONFIDENTIAL~~

MEMORANDUM FOR BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Environmental Initiatives for Eastern Europe

In his speech at Mainz the President proposed that the United States and Western Europeans work with Eastern European countries to address their critical environmental problems. The President's trip to Poland and Hungary will provide an excellent opportunity to follow up the Mainz speech by proposing specific initiatives. We have developed several possible initiatives for Poland and one for Hungary. In developing these initiatives we have been operating under guidelines from the NSC that the cost should be approximately $20 million. We also have been guided by the President's focus in Mainz on technical training, access to relevant technologies, and assistance in formulating laws and regulations. Poland's pollution problem is more serious than Hungary's. We recommend that Poland receive $15 million and Hungary $5 million of the total.

All of the initiatives for Poland would be designed to help reclaim the city of Krakow. Air and water pollution levels in and around Krakow are among the worst in Europe. We are proposing three projects.

Retrofitting an existing coal-fired plant in the Krakow area with advanced clean coal technology ($10 million).

An air quality monitoring network in the Krakow metropolitan area ($1 million)

A program to improve water quality and availability ($4 million).

In Hungary, our initiative focuses on providing $5 million to establish in Budapest an Environmental Center for Central and Eastern Europe. The Center would take the form of a funded public/private foundation which would focus primarily on developing the human resource base for ongoing and comprehensive environmental improvement activities in the region to include nuclear power plant safety issues. We envision the Center supporting long-term regional projects, studies, training, and environmental assessments. Although located in Budapest, the Center would welcome other Eastern and Western European government and private participants and funding for its activities.

DECLASSIFIED
Department of State Guidelines
E.O. 12958, SEC 3.4(B), July 21, 1997
By LK NARA, Date 05/30/23

DECLASSIFIED
PER DOS WAIVER, November 6, 2015
By LK NARA, Date 05/30/23

Specific Center activities could include regional transboundary problems such as acid rain, groundwater pollution, and toxic waste disposal; problems of particularly impacted areas such as Silesia in the East German-Poland-Bohemia triangle; alternate sources of non-polluting energy and non-polluting agricultural practices.

The foregoing initiatives represent a consensus view of the Departments of State and Energy, as well as the Environmental Protection Agency.

Budgetary Situation

Funding for these projects remains a problem. OMB advises that new money for fiscal years 1989, 1990, and 1991 is not available and that funds for the environmental initiative would have to come from reprogramming.

State, DOE and EPA have agreed that start-up costs should be funded in FY 1990, but only EPA has agreed to commit $500,000 in start-up funds. Funds for completing the initiatives should be included in the agencies' 1991 and 1992 budget submissions to OMB and should be within each agencies' budget ceiling.

A plan for cost sharing among agencies has not yet been determined. All three agencies are presently unable to commit themselves to funding beyond FY 90. Given current budget constraints, these initiatives are not considered a priority when weighed against existing programs. However if the President decides to go ahead with these initiatives the agencies will undertake to propose precise sources of funding which could then be reviewed through an interagency process.

Attached are fact sheets describing each of these possible projects in more detail.

J. Stapleton Roy
Executive Secretary

Attachment: Fact Sheets

Poland Environmental Fact Sheet

1. $10 million to retrofit an existing coal-fired plant in the Krakow area with advanced clean coal technology. This retrofit will reduce sulphur dioxide emissions from a 100 MW plant by 60-65%. Nitrogen oxide emissions will also be reduced.

   -- The initial phase of the project will include an assessment of the major coal-fired plants in the Krakow region to determine the best control strategies for these facilities. A specific plant would then be selected and the optimal technology(s) for installation at this facility would be selected.

   -- Following selection, the project will proceed into the design phase. The next phase would involve the fabrication and installation of the equipment. Design, fabrication, and installation will cost about $10 million which will be provided by the U.S.

   The final phase of the project would include operation and analysis of the data. It is assumed that Poland will take over responsibility for the operation of the project and that the data would be made available to the U.S. The U.S. will provide technical support to Poland on an as-needed basis.

2. $1 million for an air quality monitoring network in the Krakow metropolitan area as part of Poland's national air monitoring network to include:

   -- Monitors and related equipment for measuring sulphur dioxide, nitrogen dioxide, particulate, carbon monoxide, ozone, and lead;

   -- Data storage/processing equipment.

3. $4 million to improve water quality and availability in Krakow. Using the city's 1986-2010 Program of Environmental Protection and Water Economy as a guide, EPA and Polish experts will perform a comprehensive assessment of Krakow's current and future drinking water and wastewater needs to select and test treatment methods best suited to local conditions. To determine the optimal, least-cost engineering solutions, the program will examine streamflow records and data on the variety and health of aquatic species, test for stream and drinking water purity, and identify water quality standards according to use. The program will emphasize recycling, pollution prevention, and low-cost approaches such as land treatment of effluents.

Total: $15 Million

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Hungary Environmental Fact Sheet

To Establish A Regional Environmental Center
located in Budapest, Hungary

Background: The following proposal supports a Presidential initiative to be announced during the July 11-13 visit to Budapest and follows the President's speech in Mainz on helping Eastern Europe overcome its environmental problems.

Purpose: To provide a physical venue for cooperative research and activities between governmental and non governmental experts and public interest groups from the United States, Western Europe and Eastern Europe concerned with the environment including energy and nuclear power safety.

Scope: The Center would, as a public and privately funded foundation, focus on developing the broadest human resource base for comprehensive environmental improvement and protection activities in the region. Activities could include support for long-term projects, private sector initiatives, training, studies, and varied assessments. The Center would facilitate loans of lab equipment and organize workshops and other such exchanges. Specific emphasis would be placed on transboundary pollution problems, toxic waste disposal, alternative sources of non-polluting energy, and the promotion of nuclear power safety technology and practices. Although located in or near Budapest, the Center's objective would be to attract funding and direct participation by both governmental and private entities and groups from a broad range of countries with a direct interest in the charter of the Center.

Organization: The Center would be a nonpartisan organization supported by both private and government funds. Formal management could be handled in several ways: by a board of directors or through a commission. Major contributors would have a seat in the administrative structure.

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By lt NARA, Date 05/30/23

THE WHITE HOUSE
WASHINGTON

Miklos Nemeth

Deputy Minister of finance

Zsigmond Jarai

father of (Student)
'40 - '88

DMF

ANDRAS PATKO

Reps of Parliament

NY Review of Books 6/15/89

Refolution: The Springtime of Two Nations

Timothy Garton Ash

In Poland and Hungary this has been a fantastic spring. As I travel through those countries, attending an opposition fete in Budapest, a triumphal mass in Gdańsk, a Solidarity election meeting in a Silesian coal mine, I have to pinch myself to make sure I'm not dreaming. Walking around Budapest's equivalent of Oxford Circus I pass a stall openly selling *samizdat* publications. Casting an eye over the titles I suddenly notice my own name, on what turns out to be a slim volume of essays hastily translated from *The New York Review*. Next day I am signing copies for people attending the opposition fete. "Incredible" and "surreal" are the words that punctuate every conversation about politics, though not about economics, for which the leitmotifs are, rather, "disastrous" and "hopeless."

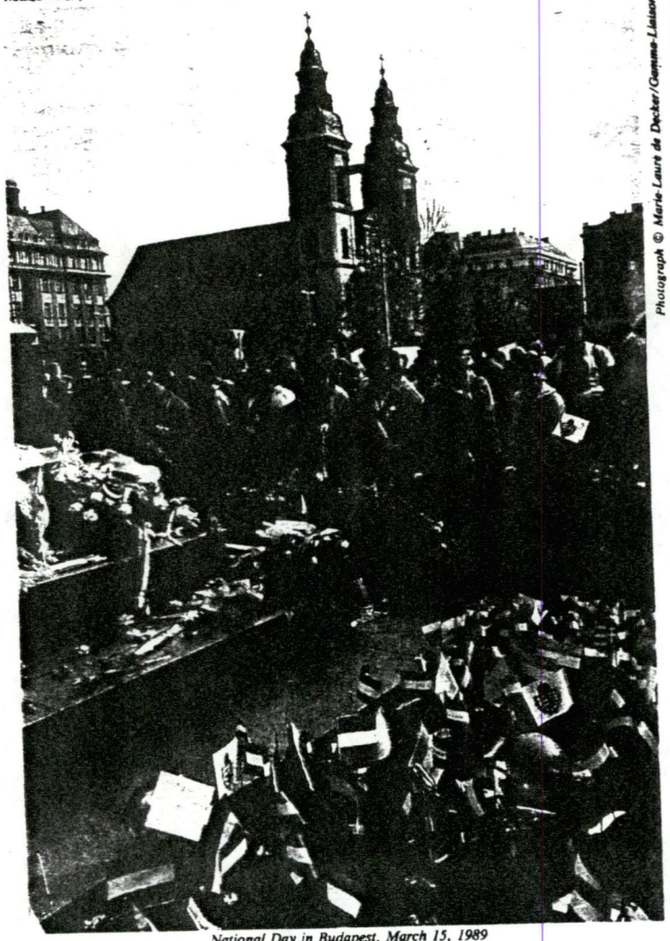
Last year, I posed the question of political change in these two countries as one of the historic choice "reform or revolution?"[1] But what is happening just now is a singular mixture of both reform and revolution: a "revorm," if you will, or perhaps a "refolution." There is, in both places, a strong and essential element of voluntary, deliberate reform led by an enlightened minority (but only a minority) in the still ruling Communist parties, and, in the Polish case, at the top of the military and the police. Their advance consists of an unprecedented retreat: undertaking to share power, and even—*mirabile dictu*—talk of giving it up altogether if they lose an election.[2]

Yet one is bound to ask how far the retreat is voluntary, how far involuntary, and whether it might not become a rout. For if one talks to the intelligentsia in both countries, then the comparison that comes to mind is less with 1968 than with 1848, less with the Prague Spring than with the Springtime of Nations. The greatest opposition demonstrations in Budapest have been held on the 1848 anniversary: March 15. Among other rites, symbolic tribute is traditionally paid before the statue of Józef Bem, who commanded the Hungarian insurrectionary army in 1848. Józef Bem was a Pole.

Polish-Hungarian cooperation has not got quite that far again, although a Polish opposition leader may be invited to speak at the reburial of Imre Nagy, leader of the 1956 revolution, on June 16: the next great symbolic event in Budapest, and one that the authorities fear will be highly charged. But certainly the Poles and the Hungarians, governments as well as oppositions, are now looking to each other for examples, precedents, and even direct support. For they are still alone in Eastern Europe. So far, this is the springtime of just two nations. What they are doing would be quite impossible without Gorbachev's tolerance, his example, and the processes he has, wittingly or unwittingly, set in motion. Unlike in 1848, they can also count on benign (if ineffectual) support rather than resistance from the major powers to their west. But around them are still the frightened, hidebound, or openly repressive regimes of East Germany, Czechoslovakia, Bulgaria, and indescribable Romania: the "gang of four," as one American specialist has nicely put it.[3]

In the race for freedom of speech and freedom of enterprise, the Hungarians are currently in the lead, although Poland is coming up fast. In the political stakes, Hungary leads in words but Poland in deeds.

In early May, Poland got its first independent, opposition daily paper, the *Gazeta Wyborcza*.[4] Its editor in chief is the historian Adam Michnik, one of the sharpest of Solidarity intellectuals, and the paper is organized by Helena Luczywo, for the last seven years editor of Poland's leading underground weekly, *Tygodnik Mazowsze*, and an unsung heroine of the Polish opposition. But this and the revived Solidarity weekly, *Tygodnik Solidarność*, are both subject to formal censorship. Further liberalization of censorship is promised, but *samizdat* publishers and editors still agonize over whether or not to "surface from underground" and legalize their publications.



Photograph © Marie-Laure de Decker/Gamma-Liaison

National Day in Budapest, March 15, 1989

In Hungary, by contrast, there is no formal censorship, and the once effective conventions of informal (self-)censorship have simply broken down.[5] Independent publishers and periodicals bloom like crocuses. There is almost riotous competition to publish everything and anything—Imre Nagy, Orwell, Solzhenitsyn, the more outrageous the better. And while the Polish official press is now interesting, the Hungarian official press and, what is more, journalists on official radio and television are in the vanguard of emancipation.

In liberating private enterprise, and attracting Western capital, Hungary is also ahead, although the Rakowski government in Poland is in some ways even more shameless. Its message, symbolized by the industry minister, Mieczyslaw Wilczek, himself at once a millionaire private entrepreneur and Party member, is: "*enrichissez vouz!*" But the message is directed as much—or more—to members of the existing ruling class, the *nomenklatura*, and to Western (especially German and Austrian) investors[6] as it is to the man in the street, who does not have their options or connections. In both Poland and Hungary, the process whereby members of the *nomenklatura* advance into private enterprise, using the power and connections that go with their official positions, proceeds apace.

There have been many suggestions as to how communism might be turned back into capitalism. But this is the simplest of all: communist bosses become capitalist bosses! The simplest, although hardly the most attractive. The Solidarity-opposition election program (formally, the Election Program of the Citizens' Committee "Solidarity") specifically warns against the danger of the "*uwlaszczenie nomenklatury*," that is, of the *nomenklatura* becoming owners. But others, in both Hungary and Poland, argue that this process also has advantages: compensating some members of the *nomenklatura* for their loss of political power, and dividing it between those who stand to lose and those who stand to gain. One might call this the "*nomenklatura* buy-out" theory.

In politics, Poland takes the lead, with the hectic and sometimes hilarious drama of its first halfway genuine election in fifty years. This is, of course, only a half-free election, the product of a remarkable but risky deal made during two months of negotiations, from early February to early April, at the so-called Round Table meetings—actually many tables, and each with just two sides, authorities and Solidarity-opposition.[7] The Round Table deal is a compromise, but an open-ended compromise. The Solidarity-opposition side secured the restoration of both the workers' and the farmers' Solidarity as fully independent organizations, and the promise of legalization for an independent students' union. It also secured completely free elections to a newly created upper house of parliament, the Senate, and free competition for 35 percent of

[1] See *The New York Review*, October 27, 1988.

[2] Both the Hungarian Party leader, Károly Grósz, and the leading Party reformist, Imre Pozsgay, have reportedly made statements to this effect, though without a deadline!

[3] See Charles Gati, "Eastern Europe on Its Own," in *Foreign Affairs*, Vol. 68, No. 1, 1988/1989.

[4] The title has been translated in the Western press as "Election Gazette," which sounds a bit archaic. Actually *Gazeta* just means newspaper, so a closer translation might be "The Election Paper." After the election it is to be called simply *Gazeta* or just possibly *Gazeta Niezalezna*, that is "The Paper," or perhaps, as we have it in England, "The Independent."

[5] On the once effective conventions see my "The Hungarian Lesson" in *The New York Review*, December 5, 1985. One of the most surreal conversations I had in Budapest was with Mr. György Aczél, for thirty years the Kádár of Hungarian cultural life. I asked him if he did not think, on looking back, that censorship might have been relaxed sooner. There was no censorship, he said. The decision was up to individual publishers and editors. But surely he would not deny that he himself had exercised political control? Oh no, not control. He had merely, he said, had "a sort of influence."

[6] For the invitation to the West see, for example, Wilczek's interview in *Der Spiegel*, No. 3, 1989, under the title "Labour in Poland is Exceptionally Cheap."

[7] The statement about two sides must be qualified in at least two respects. First, toward the end of the proceedings it was not at all clear whether the official trade unions (OPZZ) were working with the party of dialogue around Generals Jaruzelski and Kiszczak, or against them. Secondly, at the economic table the divisions ran almost as much within the two delegations as between them, with, crudely speaking, social democrats on both sides and neoliberals on both sides. Someone should write a short history of this extraordinary negotiation. Stenographic protocols of the main discussions exist, although, as usual, some crucial decisions were taken elsewhere, notably at smaller meetings between Lech Walesa, General Kiszczak, and their top advisers.

There is a new genre of opposition anecdote in Warsaw these days, the "corridor stories." They tell of fantastic encounters between oppositionists and their former persecutors, in the corridors of the council of ministers, during the two months of the Round Table. One (true) example: Dawid Warszawski, pseudonymous editor of a leading underground journal, KOS, conducted a video interview with the interior minister, General Kiszczak, head of the police apparatus responsible for seven years' struggle with the underground. The general politely observed that he had much enjoyed reading Mr. Warszawski's articles over the years. Mr. Warszawski, now using his real name, Konstanty Gebert, responded by asking the general to give an interview to KOS—an offense for which the general should then, presumably, punish himself. The general hesitates for a moment. "Do you offer a large coffee?" he says.

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the seats in the existing lower house, the Sejm.

The authorities secured a guaranteed majority in the Sejm, although the Polish United Workers' party as such has only 38 percent of seats guaranteed, with the rest going to its (until now) compliant "coalition" parties and collaborationist Catholic organizations. They also got Solidarity's agreement to an early election (first round, June 4; second round, June 18), thus giving the opposition virtually no time to organize a campaign from less than scratch. In addition, the constitution now includes a powerful new office of president, which in the first instance can be expected to go to General Jaruzelski.

Around this basic political deal there is wound a large fabric of more detailed agreements—or agreements to disagree—on everything from the economy to censorship and from the judiciary to coal mining. At the Round Table, the opposition had to settle for rather less than half a loaf on most of these issues—but Lech Walesa's key political adviser, Bronislaw Geremek, argues that "a dynamic process has been set in motion," and everything is up for transformation in that process. The authorities have agreed, in black and white, that this is "the beginning of the road to parliamentary democracy." (No qualifying adjectives, although according to a fly on the wall, the government side at one point tried to introduce a parenthesis after this sentence with words to the effect that "the government-coalition side regard parliamentary democracy as socialist democracy." The Solidarity-opposition side then proposed a further sentence to the effect that this was "the beginning of the building of a sovereign, independent Poland." Just the beginning! Each then abandoned its provocative formulation. So much for the word "socialism."[8]) There are to be free elections in four years' time. Neither side knows what will happen in those four years.

The workers' and farmers' Solidarity unions are slowly being rebuilt, although with none of the euphoric surge of autumn 1980. The rebuilding of the unions and the election campaign are, say most activists, complementary and mutually reinforcing. Last spring, Lech Walesa sat in the Lenin Shipyard in Gdańsk, besieged by riot police, with a thousand angry young workers chanting "there is no freedom without Solidarity." This spring, he sits in the Lenin Shipyard, at a calm, wholly legal, meeting with the 261 Solidarity-opposition candidates for parliament. The meeting is filmed under the direction of Andrzej Wajda, himself running for the Senate. The candidates have gathered in the very same hall where it all began with the birth of Solidarity in August 1980. There are the same model ships, the same white eagle on the wall, even the same bust of Lenin.[9] As Walesa walks up onto the platform he gives that Lenin a laughing glance, as if to say, "So *who whom* to you, old chum."

[8]This and the other main agreements can be found in *Rzeczpospolita*, April 7, 1989. See also the interesting article by Adam Krzeminski and Wieslaw Wladyka ("Revolution Step by Step") in the official weekly *Polityka*, April 29, 1989. This begins by talking of "the creation of parliamentary democracy in socialism" but ends by describing the goal simply as "the metamorphosis of a Stalinist system into parliamentary democracy." Period.

[9]See chapter one in my *The Polish Revolution: Solidarity* (Scribner's, 1984; Vintage, 1985).

Interestingly, this Polish deal—a calculated gamble for both sides—has been held up as a positive example by Hungarian Party officials, but as a negative example by most independent Hungarian intellectuals and the opposition. They want free elections, with no handicaps, no quotas, and no new upper house. After free elections, the one sovereign parliament should form the new government and promulgate a new constitution. "After the election," says a senior official in the justice ministry, "the Hungarian Socialist Workers' party will have the same position as other parties." It is rather like one of those weary old East European jokes: the Hungarians are behaving like Poles and the Poles are behaving like Hungarians.

Yet some basic elements are the same. There is a government and an opposition. The government is not like any Western government: it is both stronger (with the whole extensive apparatus of the Party-police-military-nationalized industry-state) and weaker (no legitimacy, deeply divided). The opposition is not like any Western opposition. These two heterogeneous, indeed fissiparous partners are talking about how to transform their countries into what they call "normal" countries, by the end of the twentieth century. When they say "normal" they mean Western, European, liberal, democratic, with a market economy based on property rights, a freely elected parliament, and an independent judiciary. Something between Switzerland and Sweden. "Return Kraków to Europe" says a sign in the window of the students' union on Kraków's medieval market square, and that is the theme that recurs, again and again, in every program, speech, and conversation, official as well as unofficial: the return to something called "Europe."

They may not arrive. Beside that old favorite, the Spanish model of transition from dictatorship to democracy, excited intellectuals talk of the recent Chilean model, the South Korean, even the Iranian.... But whatever happens, this is an ineradicable moment. It might be an important moment, too, for the West, and especially for the Western left. For one message of Poland and Hungary today was summed up for me by a leading activist of Hungary's opposition Free Democrats: "We say there is no third way. There is no credible alternative between Western capitalism and Eastern socialism."[10] Between the opposition fete in Budapest and the smoke-filled rooms of the British Labour party, with its leadership busy trying to turn a socialist program into a social democratic one, there is, perhaps, the trace of an historical connection.

Future historians will have to explain how Poland and Hungary, starting from such very different circumstances at the beginning of the 1980s, came to such relatively similar positions at the end of the decade. Among the general causes of these extraordinary developments, they will surely mention the impact of Gorbachev, the economic crisis, relations with the West, Solidarity and other forms of "pressure from below," and perhaps

[10]In the Hungarian context this remark is directed specifically against the "populists" of the Hungarian Democratic Forum, many of whom do maintain that there can be a specifically Hungarian "third way." And of course there are still some oppositionists in both Hungary and Poland who would firmly identify themselves as being on the left. Yet the general point may stand.

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also the intellectual crisis of the left in the rest of Europe. But to assess the relative importance and complex interaction of these major causes will require greater distance, tranquil reflection, and more sources.

In the meantime, we are condemned to reconstruct the story from a tissue of direct observation, official and unofficial publications, anecdote, and informed guesswork. In Poland, the story is one of a remarkable coming-together: for almost no one imagined that the great gulf between "the power" and "the society," between Jaruzelski and Walesa, could be so swiftly bridged. Many details of this Polish bridge building are still obscure. But two things are clear. First, it would not have been possible without explicit permission from Gorbachev. Secondly, the essential domestic impulse was given by two waves of strikes in May and August of 1988, with the second wave larger than the first, and the strikers putting the restoration of Solidarity at the top of their demands.

Markers on the path to the Round Table included a fraught and tentative debate about a possible "anti-crisis pact," in the first half of 1988; a Byzantine sequence of private talks about talks; direct talks between Lech Walesa and the interior minister, General Kiszczak, which were literally precipitated by the second wave of strikes; a dramatic television debate between Lech Walesa and Alfred Miodowicz, the leader of the official trade unions (OPZZ) at the end of November; and, last but by no means least, two stormy meetings of the Central Committee in which General Jaruzelski even threatened to resign in order to push through the direct dialogue with Solidarity.[11]

The role of Prime Minister Rakowski in all this is murky. The opening seems to have been led rather by General Kiszczak, who as interior minister presumably drew on police intelligence reports about rising popular discontent and the danger of an explosion; by a group of Party reformists including the former foreign minister, Józef Czyrek, and the former labor minister, Stanislaw Ciosek; and by some top military men.[12] Rakowski, whose personal grudges against Solidarity go very deep, and who came into office in October 1988 proclaiming his own capacity to save the country without it, was not a major direct actor in the negotiations. The record may one day show this to be a grave underestimation of Mr. Rakowski's capacity for duplicity.

What is clear is that the conversion of Jaruzelski was pivotal.[13] How and by whom that was done is still unknown (at least to this writer). But without question the personal role and authority of General Jaruzelski on this side is as crucial as that of Lech Walesa on the other.

The bridge is still of rope rather than steel. Seven years of bitter conflict are not easily forgotten. On both sides there are fierce and vociferous opponents of compromise. Alfred Miodowicz of the official trade unions is the most visible leader of reaction inside the Party. He has strong support from Prague and East Berlin (although that is not much use against Moscow!), a large constituency among the Party bureaucracy and *nomenklatura*, and even the chance of appealing to a significant part of the working class by a populist demagogy directed against the cost and injustice of economic reform. On the opposition side, teen-agers still take to the streets shouting the angry chants of martial-law Poland, and Walesa's leadership is rejected by groups ranging from the right-wing nationalist Confederation for an Independent Poland (KPN) to the crypto-Trotskyite "revolutionary" faction of the refounded Polish Socialist party (PPS-RD), as well as by his old comrade in the original Gdańsk strike, Andrzej Gwiazda. Polish politics today are anything but simple.

In the discussions of the Solidarity National Executive Commission (KKW), the lessons of 1980–1981 are constantly being drawn anew. One might almost say that both sides have learned politics. If in 1980 it was workers against apparatchiks, in 1989 it is politicians against politicians. In the long hours and days at the Round Table, the top leaders on both sides do seem to have come to understand each other better, and in part to have found a common language, or at least to have resolved to adhere to some basic rules of self-restraint in a period of political transition. This is still an "understanding of elites."[14] It can be destroyed from below. In the provinces, things look very different. But the coming-together at the top remains staggering. Just one example: toward the end of the Round Table, Adam Michnik gave an interview in which he excoriated the obstructionism of the official trade unions, comparing them to the hated Zomo riot police. A few days later he was personally congratulated on this interview by... General Jaruzelski. Michnik, for his part, has subsequently gone out of his way to praise General Jaruzelski, publicly, for his political courage in deciding to reverse the course of the last seven years and reach an agreement with Solidarity.

In Hungary, by contrast, the story of the last few years is that of a remarkable coming-apart: the coming-apart of the Kádárite consensus, so that from one apparently seamless (although seamy) web there have suddenly emerged both real opposition parties and very distinct factions within the Hungarian Socialist Workers' party. Even six months ago no one would have imagined that at a fete held by the Alliance of Democratic Youth (FIDESZ), in a Budapest youth park, the platform would be occupied by no fewer than seven political groupings, with the man from the communist party just one among many, and seated near the end of the table. The groups represented were FIDESZ itself, founded by students last spring[15]; the Alliance of Free Democrats (SZDSZ), which grew out of the earlier "democratic opposition"; the Hungarian Democratic Forum (MDF), an important but inchoate "populist" front; the two so-called "nostalgic" parties, the Social Democrats and the Smallholders, whose predecessors received, respectively, 17.4 percent and 57 percent of the vote in Hungary's last halfway free election, in November 1945; the People's party, an attempt to win the agrarian vote, partly initiated by people from within the existing power structures; and the Hungarian Socialist Workers' party, that is, the Communist party as effectively refounded after its predecessor disintegrated during the 1956 revolution. Next to the Party representative there was an empty seat, which was meant to be taken by a spokesman for the Ferenc Münnich Society, a group of disaffected Stalinists. The ghost at the feast.

Photograph © Franco Zecchin/Magnum

Women selling clothes on the black market in Kraków

Not surprisingly at a FIDESZ rally the spokesman for FIDESZ, a forceful and charismatic activist called Viktor Orban, and the spokesman for the Free Democrats, an eloquent sociologist called Bálint Magyar, earned the warmest applause. Yet as striking as the eloquence of the opposition speeches is the relative weakness of all their organizations. To be sure, most of them are very new. To be sure, the real prospect of an election concentrates the mind wonderfully. Yet the rough membership figures given to me in April were remarkably small: a claimed

[11] The crucial Tenth Plenum meeting was on January 16–18, 1989. A preliminary account of the path to the Round Table, by a leading participant, is Bronislaw Geremek's article in *Tygodnik Powszechny* (April 23, 1989).

[12] Among those who threatened to resign at this meeting, alongside Jaruzelski, Kiszczak, and Rakowski, was the defense minister, General Florian Siwicki. Ciosek was minister for trade union affairs in the first period of Solidarity's legal existence.

[13] This is perhaps the moment to recall the (apocryphal?) story about Jaruzelski and Professor Janusz Reykowski, a psychologist and now Politburo member who also headed the government delegation in the Round Table group on political reform. The story concerns a conversation in the summer of 1982, at the height of Jaruzelski's attempt to destroy Solidarity under martial law. "Is it true that myths never die?" asks Jaruzelski. "That is correct, General," replies the professor. Jaruzelski: "But you have written that Solidarity has become a myth!" (The story is recounted by Dawid Warszawski in *Uncensored Poland News Bulletin*, No.1, 1989.)

[14] See the interview with Bronislaw Geremek, *Polityka*, April 22, 1989, in which he argues that the two sides found a common language, but angrily rejects the charge of an "understanding of elites." Yet this is a charge made not just by the journalists of an offical weekly, but by many opposition activists, especially in the provinces.

[15] See my "The Opposition," in *The New York Review*, October 13, 1989.

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(but dubious) 20,000 for the two "nostalgic" parties, Social Democrats and Smallholders; some 14,000 for the Hungarian Democratic Forum; some 3,000 for the Free Democrats and 2,000 for FIDESZ. Solidarity has more than that in one factory. So far this really is, as Lewis Namier famously wrote of 1848, a "revolution of the intellectuals."

Yet the Hungarian leadership seems to be retreating faster in front of this small, intelligentsia-based opposition than the Polish leadership has in front of their much more formidable, worker- and farmer- as well as intelligentsia-based opposition. Why? One partial answer might be: "They can't think of any reason not to." Heavily influenced by contact with the West, long unaccustomed to treating ideology as anything but a veil, fig leaf, or smoke screen, they really cannot think of any good reason why they should *not* give up power! A second, more contingent reason is the indecision of the Party leader, Károly Grósz. Hailed as an opportunistic, but tough and decisive leader when he took over from János Kádár in May 1988, he has proved surprisingly weak and indecisive.

A third, related reason may have to do with the continued struggle for power at the top of the Party. For in that contest, it has increasingly seemed that "who dares, wins." Throughout this year, one of Grósz's chief rivals and by now Hungary's most popular Party politician, Imre Pozsgay, has continually forced the pace of the Party's retreat: first, in February, securing a formal (albeit fudged) reassessment of the 1956 revolution and an explicit commitment to the multiparty system; then, in April, holding what was virtually a reformist factional meeting in the town of Kecskemet, and securing a ceremonial Politburo renunciation of the key Leninist principle of "democratic centralism"; then, in May, winning a commitment to hold an early, special national Party conference in the autumn, with the prospect of further "personnel changes."

The pace is dizzy, speculation risks being confounded between the day of writing and the day of publication. At this moment it does look as if Pozsgay reckons that the best form of advance is retreat; that he hopes, perhaps, to transform the Party into something more like the Italian Communist party, and thereby to win not only the highest office for himself but also some 25 to 35 percent of the vote in a genuinely free election, thus opening the way to a new coalition government (although perhaps reserving responsibility for foreign policy and defense to a new-style presidency). What is more, some independent opinion polls suggest that if Hungarians were to vote tomorrow he just might have a chance of winning such a percentage. But the Hungarians, unlike the Poles, are not going to vote tomorrow, or for several months, and these sentences already contain far too many "ifs."

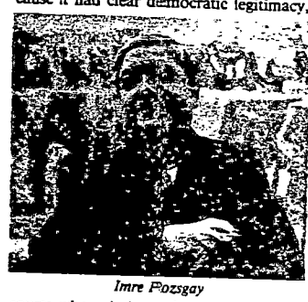
Prediction is now, more than ever, impossible. The best and brightest people on both sides in Poland and Hungary have launched into a great and perilous adventure. "You know," one of the more intelligent Polish Party leaders said to one of the most intelligent of Polish opposition leaders during a coffee break at the Round Table, "all the textbooks tell us how difficult it is to seize power. But no one has described how difficult it is to relinquish power."

In this great adventure, there is, of course, one very large unknown. At the moment, the bounds of Soviet tolerance—or benign neglect—seem wide enough for almost anything. But opposition demands for transforming or leaving the Warsaw Pact, and for Austrian-style neutrality, will surely test them to the very limit.[16] More important, all the most acute observers in Poland and Hungary, whether in power or in opposition, share the prevailing Anglo-American skepticism about Gorbachev's chances of continued progress in his perestroika.[17] A check or reversal there could not be without consequences here.

But even if there is no Soviet check or reversal, Polish and Hungarian politics over the next five years are likely to be, at best, an almighty muddle. A period of political turmoil and transition is no recipe for clear, consistent economic policy, and least of all for a policy that demands great material sacrifice from those for whose votes you are competing.

Yet such a policy is, sooner or later, almost inevitable. Prices will have to go still higher. Factories will have to be shut, jobs lost. There will be more inequality as well as poverty. Beside the impoverished majority there is already a nouveau-riche minority, Polish yuppies driving around in Mercedes or BMWs.

A Thatcher government in Britain could sustain harsh measures only because it had clear democratic legitimacy,



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Imre Pozsgay

courts whose independence was unquestioned, and a strong executive: the "elective dictatorship" of Lord Hailsham's famous phrase. The measures needed in Poland and Hungary are almost certainly much harsher, but no such strong, democratically and juridically legitimated government is in prospect for at least a year or two, if at all.

In the short term, the economic situation will get worse before it (perhaps) gets better. Inflation continues to soar in both

[16]The Solidarity election statement on foreign policy carefully does *not* question Poland's membership of the Warsaw Pact, but suggests that the alliance should be transformed to give equal rights to its smaller members, and to reflect the democratization taking place internally. Other opposition groups in Poland are less cautious. In Hungary, virtually all the opposition parties, and some members of the ruling party, talk of Austrian-style neutrality as the goal. The Free Democrats' Basic Program says, "Our aim is to create a neutral Hungary," although a more immediate objective is to "achieve a state of affairs whereby the Warsaw Pact does not influence the domestic policies of its sovereign member states and exercises increasingly less restriction on their foreign policies." At the opposition fête the FIDESZ speaker won loud applause for suggesting that Hungary might leave the Warsaw Pact "even unilaterally." In a free election, the issue seems unavoidable.

[17]Hungary's new foreign minister, Gyula Horn, said in a speech shortly before his elevation that we have "no reassuring guarantees" of a victory for the Gorbachev line in the Soviet Union (MTI report, April 21). A senior Solidarity adviser told me that one reason for settling for what they could get at the Round Table was the fear that this favorable external situation might not last.

countries." There are deep, latent conflicts in these societies—for example, between the interests of manual workers in nationalized industries and those of would-be capitalists, between the clerical and the secular"—that have yet to be clearly articulated through opposition politics. And all the stale food of pre-Central European politics, the prejudices and petty nationalisms, must be brought out of the totalitarian freezer, and aired a little while, before being thrown into the dustbin; or at least, as in Western Europe, being relegated to the political margins. Or so one hopes and prays.

"It may not be better," says Lech Walesa, "but at least it will be more fun." He was always an optimist. □

"One Polish economist has commented that the cure for two-digit inflation might just be three-digit inflation. In other words, when it gets really bad people may understand the need to take drastic steps to prevent it. Inflation will of course be fueled by the wage-indexation arrangements agreed at the Round Table. But Solidarity-opposition negotiators argue that without such indexation there might simply be an explosion of workers' protest. A further problem is, however, that workers may in effect be compensated at the expense of farmers, who suffer most directly from inflation, and can respond by cutting food production. The solidarity of the two Solidaritys—workers' and farmers'—may be sorely tried.

"In Poland, the tension between those from what Adam Michnik once called the "lay left" and those from the Catholic right, between, as it were, the pink and the black, has already begun to reemerge in the Polish election campaign. One example is the contest for the "non-party" parliamentary seat in the Warsaw borough of Zoliborz between one of the most famous activists from the "lay left" tradition, Jacek Kuroń, and a distinguished Catholic lawyer, Wladyslaw Sila-Nowicki. Sila-Nowicki apparently has the backing of the Primate, Cardinal Józef Glemp, but Kuroń is the candidate from the agreed, national Solidarity-opposition list. Kuroń also has what is considered in Poland to be the considerable advantage of having been received in Washington by President Bush. One might say that in this particular contest, the President has helped the Democrat rather than the Republican.

Why Noriega Wins

Murray Kempton

His advisers report that President George Bush's response to General Manuel Antonio Noriega's successive effronteries has been to examine his options. This is an endeavor hopeless for engagements with Noriega, who is one of those far-seeing statesmen who understand that to weigh any variety of options is to risk being intruded upon by thoughts of what might be best for persons other than themselves, and perhaps even to risk being distracted by considerations of morality.

If Noriega had ever been thus inhibited, he would not have been so quick to recognize the emergence of the Colombian drug cartel as a source of economic development funds in larger bundles and with looser strings than he was apt to get from older and less free-handed superpowers.

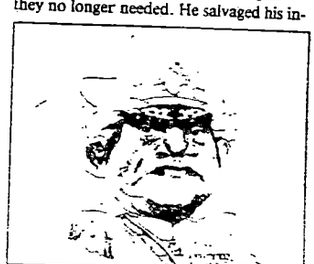
To feed off the United States is to subject yourself to all sorts of inconveniences from a Senate where Jesse Helms arraigns your friendship with Fidel Castro one day and Christopher Dodd your human rights record the next. But to take your business to the Medellín and Cali cartels is to be liberated from even the lightest chains of ideology.

The Colombians have an estimated $8 billion annual trade volume, eight thousand employees, their own two-thousand-member army, and a view of foreign alliances that echoes Palmerston's dictum that nineteenth-century England had no friends but only interests.

A succinct history of Noriegan Panama's progress as Medellín's major allied power has been compiled by the Senate subcommittee on narcotics and terrorism, whose chairman is John Kerry, Democrat of Massachusetts. Ramón Lillian Rodríguez, a fallen Medellín agent, told Kerry's committee that Noriega took over its money laundering and provided it with Panamanian army security services for commissions ranging from one half to 10 percent of each transaction.

In due course, Noriega found Rodríguez too expensive to carry as a middleman and turned him in to the US Drug Enforcement Administration, a service to law enforcement that was rewarded with a letter of commendation. By then, Noriega had equipped himself for the 1984 election by assembling a personal account amounting to $20 million in one of the hundred banks that had sprung up in Panama, half of them owned by Colombians.

He maintained an arms business whose philosophy was true to Medellín's loftily ecumenical view of competing political faiths. In 1979, he supplied the Sandinistas fighting Somoza and then, when their revolution triumphed too quickly, he found himself stuck with a consignment they no longer needed. He salvaged his investment by selling it to the Salvadoran guerrillas, and the trade went well until one delivery plane crashed and turned out to belong to the Panamanian Defense Forces, a revelation sufficiently embarrassing to force Noriega to start selling to the contras instead. He was solicitous in tenders of his good will equally to Fidel Castro and the United States, although in the latter case his preference was for dealing with the CIA, the DEA, and the National Security Council, all of whom shared his taste for the covert and the conspiratorial and none of whom thought to abrade the comity of their conversations with references to narcotics.



Once he sent word that, if the United States would go back to speaking well of his stewardship, he would return the favor by arranging the assassination of the Sandinista *comandantes*. Oliver North replied that this would violate the laws of the United States but that a bit of sabotage would be fit and proper.

That cannot have been the first time Noriega had noticed how much more sophisticated Medellín's government is than ours. Still, he has profited handsomely from Medellín worldly wisdom and lived comfortably with American naiveté and can be excused for thinking even now that he can go on doing both. □

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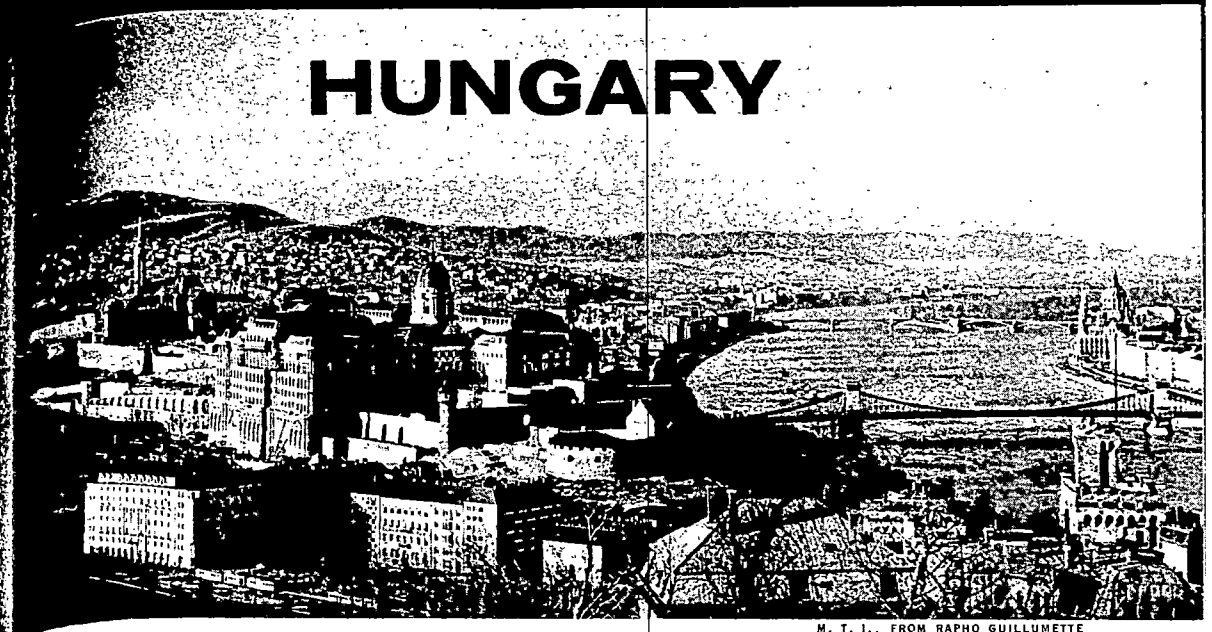
HUNGARY



M. T. I., FROM RAPHO GUILLUMETTE

BUDAPEST's royal palace (*left*) recalls the fact that Hungary was once an extensive central-European kingdom.

Coat of Arms of Hungary

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INFORMATION HIGHLIGHTS

Official Name: People's Republic of Hungary (Magyar Népköztársaság).

Head of State: President.

Head of Government: Minister President (Premier).

Legislature: Orszaggyülés (Parliament).

Area: 35,938 square miles (92,779 sq km).

Boundaries: *North*, Czechoslovakia; *east*, Rumania and USSR; *south*, Yugoslavia; *west*, Austria.

Elevations: Highest point, Kékes (3,300 feet, or 1,015 meters).

Population: (1968 est.) 10,275,000.

Capital: Budapest.

Major Languages: Hungarian (official), German.

Major Religious Groups: Roman Catholic, Reformed, Lutheran, and Greek Orthodox.

Monetary Unit: 1 forint (florin) = 100 fillér.

Weights and Measures: Metric System.

Flag: Red, white, and green (horizontal).

National Anthem: *Isten áldd meg a magyart* (God bless the Hungarian).

HUNGARY, hung'gə-rē, is a small landlocked state in central Europe. It occupies most, but not all, of the low-lying central portions of the middle basin of the Danube River. Its political form is that of a "People's Republic," and it belongs politically, militarily, and economically to the bloc of satellites that fringe the western borders of the USSR. Its economy is in a process of transition from a mainly agricultural one to one in which industry preponderates. Ethnically itself, as is usual in central Europe, "habitual language" is taken as defining ethnic characteristics its population is highly homogeneous, for over 90% of it uses the same language. That language, Magyar, belongs to the Finno-Ugrian linguistic family, which is unrelated to any other spoken in Europe west of Finland. This marks the Magyars as a distinctive people, to whom a special and exotic aura is attached.

Little of the foregoing description, except with regard to the character of the language, would have been true before 1920, and much of it not before December 1944. The "historic" Hungarian state was brought into being in 896 A. D. by a mass immigration of the Magyar people from the steppes north of the Black Sea. By the end of the 11th century the state had come to comprise the entire basin of the middle Danube, its periphery included, and even to reach down through Croatia to the Adriatic. Its area in 1919 was over 125,000 square miles (323,750 sq km), including Croatia, or 113,000 square miles (292,670 sq km) without it.

In 1000 A. D., Hungary achieved the status of an independent kingdom, and at about the same time, adopted the Roman form of Christianity; thereafter its people regarded themselves as a bulwark of Western civilization, first against Byzantine Christianity and later the Muslim Turks. Its expansion was, of course, achieved at the expense of the ethnic homogeneity of the first immigrants; the conquered areas around the plain on which the invaders first settled, and even, to some extent, the plains themselves, contained non-Magyar populations. But the Magyar ele-

ment was strong enough to maintain the state as "Magyarland" (Magyarország), in a political sense and even ethnically through assimilation. (The names "Hungary" and "Hungarian" are not used by the Magyars themselves. These words derive from the Turki "On Ogur," meaning "Ten Arrows," or "tribes," and were apparently conferred on the Magyars by neighbors in the steppes.)

Later rulers claimed the large area controlled by Hungary in the later Middle Ages to be the true extent of the Hungarian state. But in fact, for long periods thereafter Hungary's rulers controlled only parts of this vast area. In the early 16th century the Ottoman Turks occupied the center of the country and also established their suzerainty over its eastern portions (Transylvania); thus the Habsburg dynasty, which at that time claimed the Hungarian crown, ruled *de facto* over only a small fraction of the state. They recovered the remainder around 1700 but then ruled it rather as foreign conquerors than as representatives and embodiments of the nation.

It was not until 1867 that Hungary recovered, after long and sometimes bloody struggles, her full territorial integrity and internal independence. Even then it was only in the qualified form of association with Austria, as a partner in the Austro-Hungarian monarchy. Nevertheless, the "Compromise" of 1867 still left Hungary the spacious kingdom that its early rulers had made of it. Its reduction to its present humble dimensions came in 1920, after the Austro-Hungarian monarchy had shared Germany's defeat in World War I. Its victorious enemies, invoking the principle of national determination, accepted the claims advanced by or on behalf of Hungary's non-Magyar populations and imposed on Hungary the Treaty of Trianon, which assigned to Hungary's present neighbors 66% of the area and 58.5% of the population of the old kingdom proper, or 71.5% and 63.5% if Croatia is included.

Even this treaty, however, spared the national institutions, to which the truncated Hungary clung even more tenaciously out of the conviction that the treaty was unjust, and in the hope of reversing its provisions. These institutions were the victims of Hungary's renewed defeat in World War II, which brought it under the domination of the USSR. The Soviet agents were at systematic pains to eradicate the vestiges of Hungary's past in favor of their own imported system. The result is that most institutions of the Hungary of today, good or bad, are foreign to the country; their roots lie outside it. The Soviets have, however, not been able to alter the Hungarian national character and outlook on life. These have remained singularly unchanged, so that even where the forms are new, the spirit that inspires the operation of them retains much that is specifically Hungarian.

1. The People

Whatever the defects in the Magyar national character, a lack of national tenacity is not among them. The linguistic evidence goes to show that their ancestral habitats lay in the northeast of what is now European Russia, and the journeyings that eventually brought them across the Carpathians certainly lasted many centuries, perhaps over 1,000 years. Another millennium has passed since they ended. During these years the Magyar stock has received innumerable infusions—Turki and Iranian elements during their

Budapest skaters swirl near Fine Arts Museum (*background*) and monument (*center*) to Magyar conquest of Hungary

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...derings in the steppes; German, Slav, Jewish, ...many more since their settlement in Europe. ...old Ugrian blood must run very thin in the ... of the men and women who today call and ... themselves Magyars. Withal, they have at ... twice changed their whole mode of life, ... primitive forest-dwelling hunters and trap... ...to warlike steppe-nomads and again to repre... ...tatives of Western, Christian civilization. Yet ... this has left them distinctively Magyars. Their ...uage, too, while acquiring a substantial num... ...of loanwords, has remained itself, structural... ...grammatically, and in its basic vocabulary. ...ever still, because of the Magyars' remarkable ...milative power, the recruits to the Magyar ... have adopted not only its language but ... its mentality and mores.

National Characteristics. Only anthropology ...ems to have defied this assimilative power. It ... not possible to assign to the "Magyars" of ... a truly distinctive ancestral physical type. ...e Mongoloid features sometimes encountered, ...pecially among the inhabitants of the Great ..., probably most often derive from a pro... ...tor not more remote than some Turkish ...verlord of the 16th or 17th century. The Mag... ...tends to be of medium stature and brownish ...ing—tall, blonde Scandinavian types are rare ...ong them, and black hair and eyes usually ...note Rumanian or Gypsy origin. But most ...gyars could easily pass, physically, for South ...rmans or West Slavs.

The Magyar is open-hearted, friendly, so... ..., and hospitable. He is impulsive and quick ... take offense but readily placated. He has a ...ong sense of dignity and much pride, both ...rsonal and national. In the old days the poor... ... Magyar herdsman looked down on his Slav ... Rumanian fellow worker as an inferior being, ...d his behavior towards his own social superiors ... never servile. This feeling of dignity seems ... have worked together with subconscious atavis... ...memories to produce in the entire nation a ...ecial outlook on the social and economic prob... ...s of existence. Up to the most recent times ... was difficult to persuade a Hungarian gentle..., however poor, that any occupation befitted ... other than the conduct of public affairs, the ...nership of land, or soldiering. He regarded the ...ney-making pursuits as below him and left ...dustry, commerce, and finance to others. When ... acquired wealth, it was nearly always through ...ansactions in real estate. His nonnoble country... ... could not, of course, adopt this attitude ...olutely, but they, too, seldom sought to better ...mselves away from the land. It was only with ...reme reluctance that the poorest Magyar ex...anged the most miserable dwarf-holding for ...ctory life.

Consequently, when the pressure of modern ...nditions forced the nation to diversify its econ..., not only the new middle classes outside the ... service, but even the upper layers of the ... industrial working class were composed ...gely of non-Magyars. Banking, trade, and even ... professions were staffed largely by Hun...rian-born Germans or Jews.

The traditional Hungarian way of life was ... rural—the life of the village, perhaps cen...ing around the local manor house, or of the ...ltered farm. Until modern times there was ...dly such a thing as a real Magyar town. The ... towns of Transdanubia and Transylvania ... mostly German in foundation, architecture, and populations; while the sprawling agglomerations of the Great Plain, though Magyar, were overgrown villages rather than towns.

The Magyar's strong attachment to his ancestor's ways probably owes something to an instinctive, deep-rooted feeling that if he relinquishes even such externals he will disappear, submerged in the German or Slav flood. But the Magyar is also reluctant to make the effort that a change would necessitate, and he cannot be acquitted of a certain indolence. High or low, he is modest in his demands on life and would rather make do on a small income, or at times blithely exceed it, than submit himself to sustained effort to enlarge it. Yet it is not brain power that he lacks, but the energy to use it. The poorest Magyar peasant in the most remote village never strikes the observer as dull or brutish. The achievements of such Hungarians as have applied themselves to the arts, sciences, and professions, and even to business, have often been impressive.

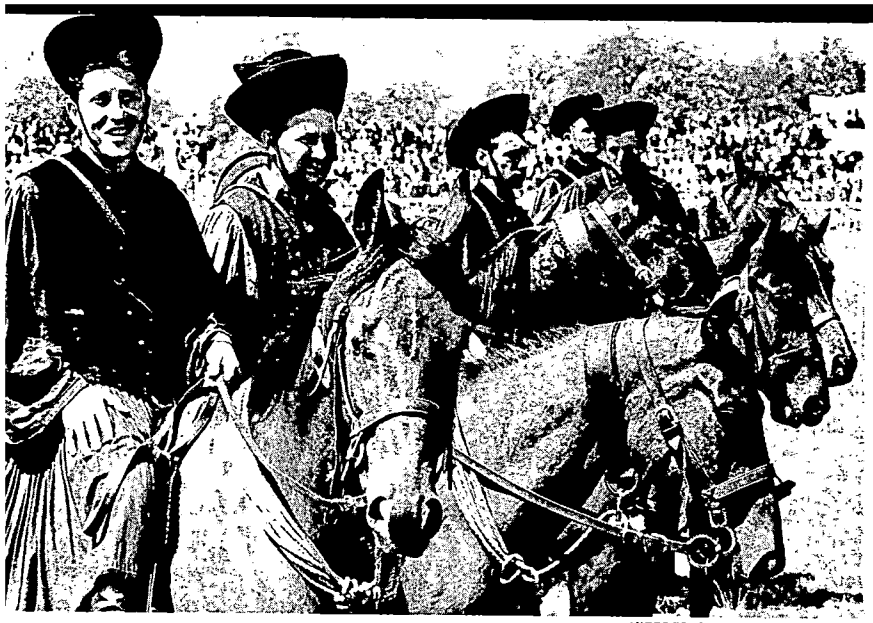
Social Structure. The traditional Hungarian social structure was hierarchic but not pyramidal. The owners of the enormous estates for which, until recently, Hungary was noted usually owed them to the favor of foreign kings. At home, though envied, they were disliked as a foreign element. The true political and social backbone of the nation was its very large class of medium or small "nobles," most of whom would have ranked simply as freemen in many countries. Below these again came the great unprivileged masses of peasants.

Life for all these classes except the wealthy magnates, who were more than half denationalized, tended to be narrow and monotonous, and for the poorer among them, it was hard indeed. Nonetheless, they were reluctant to change it. The famous proverbial saying "Outside Hungary there is no life, or if there is, it is not like ours" expressed an attitude that was not confined to the privileged classes.

The old social order has, of course, been swept away under the People's Republic. Even those survivors of the old "ruling classes" who wanted to cooperate with the new order were prevented from doing so. The new hierarchy first installed was simply that of the Communist party members. Gradually, however, recognition dawned that Marxist orthodoxy was not enough, and the regime now emerging is rather a technocracy of ability, more democratic than the old order in that opportunity to rise in it is more nearly equal, but not less dictatorial.

Other changes have been brought by economic developments. Factory workers now outnumber peasants, and more than half the population lives in towns, almost 2 million in Greater Budapest alone. The rapid influx into the towns has brought with it many problems; while the regime has made commendable efforts to improve social services and amenities, there has been a severe housing shortage in the industrial centers.

Way of Life. There is little left today in the Hungarian way of life that is characteristically national. The recreations of the townspeople are sports, the radio, and television. In the rural areas there are still festivities marking the end of harvesting, and these are celebrated with feasting and dances, the latter sometimes following traditional forms. The old local costumes are, on occasion, brought out for these events, but they are disappearing, in spite of the govern-



INTERFOTO, M. T. I., BUDAPEST

THE MAGYARS, once a nomadic steppe people, take great pride in their horses. These herdsmen in traditional costume, line up their horses for a horsemanship show on the Hortobágy steppe.

COLORFUL COSTUMES of country people are now worn chiefly on special occasions. Villagers of Mátraderecske dance at a festival in honor of the town's marriageable girls.

ment's efforts to preserve them; where they survive, it is largely as self-conscious tourist attractions. The peasant today works in cheap, factory-made clothes, though in winter he still often wears the traditional sheep-skin *bunda* ("cloak") and cap. He relaxes over a glass, or several, of wine in the local *kocsma* ("tavern"). Some of the chief village occasions are still the religious *bucsus* ("processions"), in which a whole village usually takes part.

Hungarian cooking is rich and fatty. The main ingredient is meat (beef, pork, or poultry), often in the form of stews (such as *gulyás* or *pörkölt*) with vegetables and seasoning, in which the local red pepper (paprika) plays a large part. The national beverage is wine. The best known white wines come from Tokaj (Tokay), these headed by the world-famous asszu, which is half-way between a wine and a liqueur. Other white wines come from Hegyalja and Gyöngyös, and from the Balaton district (Badacsony, Somló, Mór, Csopak). The most popular red wines are those from Eger (the *bikavér* or "bull's blood"), Szekszárd, and Villány.

Magyars Abroad. Magyars living outside present-day Hungary include about 1,800,000 in Rumania, 400,000 in Slovakia, and 500,000 in northern Yugoslavia. The homes of all these are in territory that was once Hungarian. The ruling that, in 1920, assigned them to other states was bitterly resented both in rump Hungary and often by the persons concerned. This resentment was a major cause of the antagonism that prevailed throughout the interwar period between Hungary and its neighbors, and it still flares up on occasion, for these communities cling obstinately to their "Magyardom."

There are colonies of Magyars in the United States (Cleveland is a main center) and Canada; most of these are descended from the great mass of emigrants whom economic necessity drove across the Atlantic between 1890 and 1910. Many countries contain refugees who sought safety from the Soviets at the end of World War II or after the unsuccessful revolution of 1956.

Minorities At Home. The linguistic minorities in Hungary consist mainly of small groups of Germans and Slovaks, survivals of groups long settled in Hungary. Their cultural needs are guaranteed under the constitution. The deportations organized by the German authorities in 1944 practically wiped out the once numerous Jewish population of Hungary, except in Budapest, where it was diminished but not eliminated. The Jewish community today numbers about 80,000, almost entirely concentrated in Budapest. The national revulsion against the brutalities perpetrated on the Jews by the Germans and their accomplices greatly reduced the anti-Semitism that had grown strong among the Hungarians in the 1930's; but it was unfortunate that many of the most hated Communist bosses, including Mátyás Rákosi and Ernö Gerö, were Jews.

There were never so many Gypsies in central Hungary as their place in operetta and romantic literature would suggest (their main center in historic Hungary was Transylvania), and Hitlerian persecution and emigration thinned the ranks of the 50,000 or so left in the truncated state after 1920. Their numbers today probably do not exceed 20,000. Modern progress has taken from them most of their traditional callings as tinkers, horse traders, and brick makers; but they yet the most famous of them, as musicians. The place of entertainment in Hungary still has a Gypsy musician or musicians, ranging from highly skilled and highly paid bands in the hotels to the fiddler in the village tavern.

Religion. The official statistics compiled in 1945 do not record the religious affiliation of the population. Those for 1941 showed that 65.6% of the people belonging to the Roman Catholic Church, 20.8% to the Reformed, 6% to the Lutheran, 2.5% to the Greek Catholic, and 4.3% to the Jewish. Smaller numbers belonged to the Greek Orthodox, Baptist, Unitarian, and other churches. Massacre, deportation, or voluntary emigration have since greatly reduced the number of both the Jews and the Lutherans (many of whom were Hungarian Germans), and most of the Greek Catholics have been transferred to the Orthodox faith.

The churches played a very important role in the life of historic Hungary. The Christian kingdom founded by St. Stephen in 1000 was almost a theocracy. The primate-archbishop of the Roman Catholic Church became the highest dignitary of the realm, after the palatine (the chief crown official), and the Catholic Church, with its numerous monastic orders, became very wealthy. From the 16th century on, the reformed Church symbolized for its adherents the spirit of national independence. The Orthodox churches were the strongholds in the cultural

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…UDAPEST

COLORFUL COSTUMES of … country people are now … chiefly on special occasions. … villagers of Mátraderecske … at a festival in honor of … town's marriageable girls.

INTERFOTO, M. T. I., BUDAPEST

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…rches played a very important … of historic Hungary. The Chri… nded by St. Stephen in 1000 … ocracy. The primate-archbishop … Catholic Church became the … the realm, after the palatine (… official), and the Catholic Chu… erous monastic orders, became … om the 16th century on the … ch symbolized for its adherents … ional independence. The Orth… e the strongholds in the cultural … nal life of Hungary's Serbs and Rumanians. … dignitaries of all the "recognized" (estab… ed) churches sat *ex officio* in the upper house … Parliament. The nation's educational system … almost entirely in the hands of the churches … to the 19th century and largely so even after … date. Primary education was usually im… ted by the village priest or his deputy; sec… ary education by the teaching orders. All the … ecognized" churches possessed statutes of auton… y, except the Roman Catholic, which rejected … as incompatible with its special relationship … the state.

The present Hungarian constitution recognizes … principles of freedom of conscience and re… ion. Nevertheless, the churches have passed … rough hard times since the advent of commu… m. They lost most of their endowments under … reform and much of their influence when the … ucational system was nationalized. On this oc… sion all but a handful of the monastic orders … dissolved. All the main churches (the … nstitution abolished the distinction between … ecognized" and "non-recognized"), except the … man Catholic, afterwards reached agreements … h the state. In return for their acceptance of … authority the state confirmed their statutes of … tonomy and undertook to make good, for a … nsitional period, the loss of their incomes.

The Roman Catholic Church resisted strongly, … even the arrest of its head, the cardinal-… mate, and subsequently of other dignitaries, … not break its resistance. The bench of bishops … ntually took the oath of loyalty to the state, … ich affords the Roman Catholic Church the … me subsidies as are paid to the other churches.

2. The Land and Natural Resources

All of present-day Hungary lies within the … lying center of the middle basin of the Dan… e River whose waters once covered most of it … which, with its tributaries, still dominates … All parts of the country bear a strong family … mblance. Nevertheless, the country falls into … e natural regions, between which there are … cognizable topographical, vegetative, and cli… atic variations. Moreover, their histories, espe… ally in more remote centuries but also in rela… ely modern times, have been by no means … ntical and have helped to superimpose on each … distinctive form of human settlement.

Transdanubia. The western region of Hungary, contained within the crook of the Danube as it flows first east and then south, is known as Transdanubia. Parts of it are still covered by the waters of Lake Fertö (or Neusiedlersee) and by Lake Balaton, with its neighboring "Little Balaton" and Lake Velence. The areas adjacent to the lakes—the Kis Alföld ("Little Plain") of the lower course of the Rába River, the stretches south of Lake Balaton, and others between the lake and the Danube in the east—are flat expanses similar to those of the Great Plain (see below). But much of Transdanubia is still undulating hill country, the geographical continuation of the foothills of the Austrian Alps; one broken chain of considerable heights, known successively by the names of Balaton, Vértes, and Pilis, runs from the southwestern extremity of Lake Balaton along its northern shore and thence to the bend of the Danube opposite Vác. The hills of Transdanubia contain some mineral deposits, and oil has been found in the Zala region near the Yugoslav frontier, but the area is still mainly agricultural, devoted to arable farming, stockbreeding, and viticulture. The climate is tempered by the proximity of the Alps.

Most of the Transdanubian towns originated as military, administrative, or ecclesiastical centers. Székesfehérvár was the first capital of the Magyar state and Esztergom is still its ecclesiastical capital. Pécs, Györ, and the new "steel town" of Dunaújváros have become big industrial centers, but most of the other towns still retain much of their old atmosphere. The pattern of rural settlement is the village.

Buda itself was long a typical Transdanubian town, distinguished only by its exceptional military and administrative importance. It is now united with the great commercial and industrial city of Pest, to form by far the largest conurbation in Hungary.

The Northern Hills. Above Pest, the Transdanubian hill chain is protracted in another chain that runs northeastward, parallel to the Slovak frontier. These northern hills, with their foothills, form the second and smallest geographical subdivision of Hungary. The peaks of two of the massifs, the Mátra and the Bükk, reach over 3,100 feet (950 meters). This region has much in common with Transdanubia, which it resembles in climate.

Some minerals are found in or north of the hills, and Miskolc, which expanded very rapidly

in the 1950's and 1960's, Diosgyör, Ozd, and Sálgotarján have grown into important mining and industrial centers. The other local towns, of which Eger is the chief, are smaller and more old-fashioned. The wines of the region include the famous Tokay.

The Great Plain. From the foothills of the northern range to the Yugoslav frontier, and across it, stretches the Nagy Alföld ("Great Plain"). A low range of sandy dunes, rather than hills—they seldom reach 400 feet (120 meters) above sea level—divides the main watershed of the Danube from that of the Tisza. But the basin of the Tisza and its tributaries is a flat, utterly featureless expanse.

This is the part of Hungary regarded by the foreigner as typical of Hungary—the *puszta.* The word means an uncultivated stretch, and the plain of the Tisza was once really *puszta.* The devastating spring and summer floods of its rivers, which submerged huge areas—often for many weeks—rendered it unsuitable for anything except the pasturing of cattle and horses, huge herds of which once roamed the famous Hortobágy and other stretches. The rivers have now been partially regulated, the herds dwindled, and much land has been reclaimed for cultivation, but the countryside is still wild and desolate. It is afflicted with a climate more extreme than that of Transdanubia, with great heat in summer and cold in winter and little rainfall.

SOPRON was once an important fortress town. Its main street follows the line of the medieval castle wall.

M.T.I., FROM RAPHO GUILLUMETTE

Most of the towns here are of the "village-town" type that dates from the era of Turkish occupation. During the the inhabitants of the villages ... larger centers, from which the ... of the family went out in the summer ... their fields and camped in rough ... latter, called *tanyas,* have grown ... settled farms, but villages are still ... the plain. Even the largest and most ... of its towns, such as Szeged and De... betray their pasts in endless suburbs ... washed village-type cottages set ... in lines that bring to mind the still ... national habitats of pitched tents.

Natural Resources. Well adapted for agriculture, Hungary is poor in ... natural resources. The most important are probably the recently discovered ... rich, deposits of bauxite in the Vértes ... A little hard coal is mined near Pécs ... lignite and brown coal in Dorog and ... in Transdanubia, and near the Slova... There are small deposits of iron ore ... bánya, and smaller quantities still of ... the latter, however, include some ... oil fields of Zala are only moderately ... but natural gas has been struck in ... quantities near the Rumanian frontier ... mineral resources, however, are still ... to support a large industry without ... imports or to supply the fuel for it.

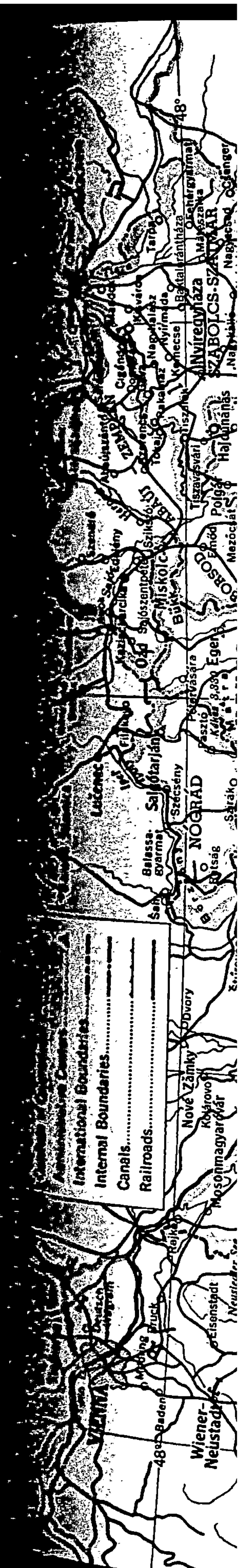
Hungary is very rich in warm mineral ... some of them of high medicinal value ... a hundred such springs lie in or near ...

Plant and Animal Life. The flora ... includes many rare species, and its ... once exceptionally rich and distinctive ... many varieties of big game, some ... elsewhere, and many exotic birds. Ma... are succumbing rapidly before the ... modern civilization, but some ... (for instance, the black stork) and ... (such as wolves, lynx, and wild boar ... be found in outlying parts of the ... the Great Plain. Attempts are being ... secure the survival of others, notably ... managed nature sanctuary at Lake ...

3. The Economy

The medieval Hungarian kingdom ... a rich and varied economic structure ... was ruined by the Turkish occupation ... From these the country emerged ... show except a fairly backward agr... trian economic policy, abetted by Ma... ment to accustomed ways, kept it in ... until the economic and fiscal unific... Habsburg monarchy in 1851. So... then began to develop, beginning ... based on local raw materials, such ... and breweries. Later, partly out of ... of national prestige, and with gover... heavy industry (chiefly armaments ... and railway materials) was added ... Pest; and in the 20 years immediate... World War I, light industry ... Nevertheless, agriculture retained ... 1910 two thirds of the total popula... rived its living from the land, and ... fifth from mining and industry.

The break-up of the Austro-Hun... archy, and even more, the dismem... Hungary itself, caused much dis...



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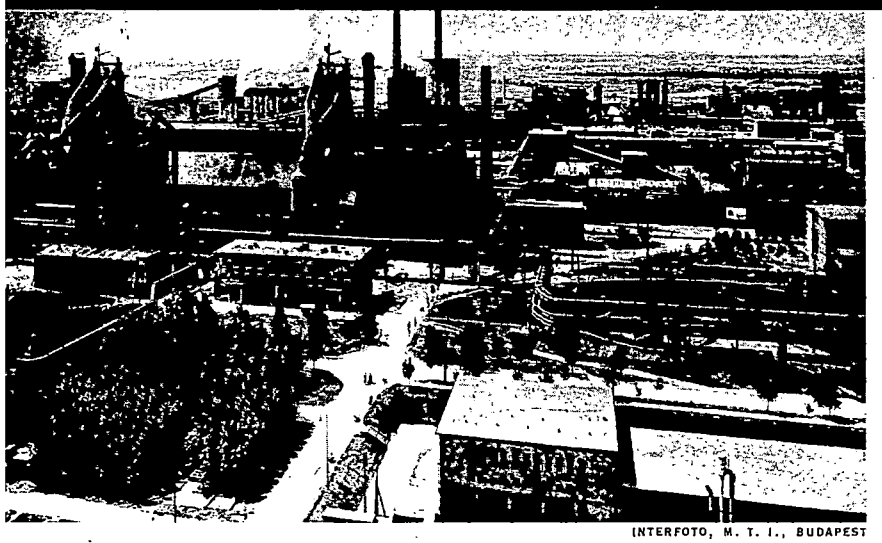


HUNGARY'S FOUNDRIES, such as the one seen here, rely heavily on imports of coal and iron ore from the Soviet Union. The country has undergone intensive industrialization in the years since World War II.

INTERFOTO, M. T. I., BUDAPEST

TOKAY GRAPE, here growing on the hills of Tokaj, yields the juice for Hungary's famous sweet, golden Tokay wine.

wheat, which was once Hungary's main crop, has fallen sharply; whereas it once constituted the country's main export, that on which its balance of foreign payments largely depended, Hungary is now little more than self-sufficient in it and not always that.

The number of swine has risen greatly, and they form the largest part of the country's livestock, followed by horned cattle. Sheep and horses are less important, but the production of poultry and eggs is considerable. Nearly all the poultry and many of the swine are raised on private plots. The chief agricultural exports are livestock, live or processed, and specialized crops such as wine, fruit, and vegetables.

Industry. The state-owned industries comprised 85% of all industrial enterprises in the mid-1960's and included all the larger organizations. Among them, the metallurgical and mechanical engineering industries hold the first place, followed by mining, textiles, food processing, beverages and tobacco, clothing, building materials, and chemicals. Industries classified as heavy (including mining) employed 64.6% of the total manpower, light industries 24%, and food industries 11%. The chief industrial centers are Budapest (by far the largest), Miskolc, Győr, Pécs, and the mining centers, Tatabánya and Salgótarján.

Hungarian workmanship is of high quality, and some of its products are unsurpassed in the world. The Achilles' heel of Hungarian industry is its dependence on the outer world for materials and, still more, for both raw materials and fuel. In 1966 Hungary was importing all its pyrites, crude phosphates, cotton, and natural and synthetic rubber, 78% of its iron ore, 73% of its wood, and 41% of its wool. The country also had to import 62% of its foundry coke, 59% of its petroleum, 35% of its anthracite, and much of its electric power. This fuel position is unlikely to improve, for Hungary's domestic coal deposits are already being worked to capacity, and the yield of its oil wells has proved disappointing. In the early 1970's plans were afoot for building an atomic station (with technical help from the USSR) and for damming the upper Tisza River to produce hydraulic power. Meanwhile, some electricity was being imported from Rumania.

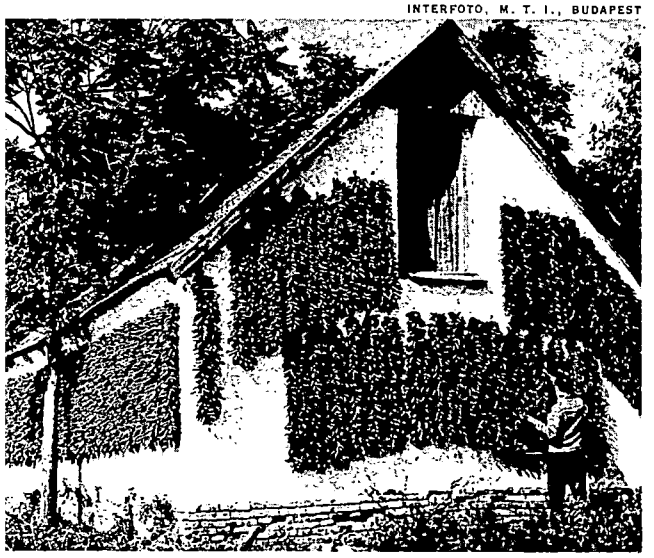
Transport and Communications. The widespread damage inflicted on Hungarian communications at the end of World War II (when, amid the destruction, all the Danube bridges joining Buda with Pest were blown up) has now been repaired. When the railway system was constructed in the 19th century, it was heavily centralized on Budapest, whence good main lines ran out to various points on the frontier. Transversal lines between the main rail arteries are still meager. Some of the main tracks are electrified, but the emphasis is laid on diesel traction. The railways are being improved to serve the needs of modern living, and some of the main arteries are good. The second and third class roads, especially on the Great Plain, are often still primitive.

The Danube, the Tisza, and some other waterways are navigable and there is considerable commercial traffic down the Danube from Ulm, which has a free port at Csepel. Navigation on the Danube is regulated by international agreement. A traditional and agreeable way of entering Hungary is by steamer from Vienna. Ferihegy possesses two modern airports, Pest and Budaörs, which handle a large international traffic.

Postal, telegraphic, and telephonic communications are modern. The radio and television services are state-owned. The official news agency is the Magyar Távirati Iroda (Hungarian Telegraphic Agency). The press is under strict governmental control. The official organ

PEPPERS, or paprika, here drying in the sun, form a most important ingredient in the Hungarian cuisine.

INTERFOTO, M. T. I., BUDAPEST



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TOKAY GRAPE, here ... on the hills of Tokaj, ... the juice for Hungary's ... sweet, golden Tokay wine.

INTERFOTO, M. T. I., BUDAPEST

... is the *Népszabadság* (Popular Freedom).

Labor. Hungary's industrial labor force has ... rapidly since 1945, partly through an in... of workers from the land and partly through ... greatly increased employment of women, who ... constitute nearly 40% of the whole labor ... Over 40% of the workers rank as "skilled." ... are settled nationally according to trade, ... the New Economic Method allows for vari... according to the form of enterprise and to ... incentives. Social security and welfare ... provide comprehensive coverage. Over ... of all workers are organized in labor unions. ... workers in a particular trade belong to the ... union.

The labor situation in the new Hungary has ... been uniformly happy. Before 1945 the labor ... were intimately, almost indistinguishably, ... with the Social Democrat party and were ... backbone of the labor movement. In the ... of socialization of the economic system ... the war, the Rákosi regime harried the ... unmercifully, while the unions were ... the task of abetting it by "enforcing ... discipline." It was the workers who, with ... students, formed the spearhead of the 1956 ... Revolution. They then established their own ... councils as genuine representatives of ... interests. The Kádár regime dissolved these ... 1957, but when the New Economic Method ... introduced, the unions again demanded a ... in the exercise of the new autonomy being ... conferred on enterprises. The powers eventually ... them were much less than they had ... and even largely illusory; but the unions ... now entitled to be consulted on all questions ... to wages and working conditions and ... object if management "takes measures which ... socialist morality." The ministerial council ... to consult the trade union council on all ... questions.

Trade. Because of the intensive industrializa... since World War II and the stortage of fuel ... raw materials, the Hungarian economy is ... exceptionally dependent on foreign trade. The ... country exports chiefly manufactured goods, ... which machinery and mechanical equip... rank first, followed by finished consumer ..., including processed agricultural products ... textiles. Raw agricultural products make up ... about 20% of the total. The chief imports ... fuels and industrial raw materials (prin... minerals), metals, and cotton.

By far Hungary's biggest trading partner is the USSR, which takes and supplies about 30% of exports and imports. It sends principally fuels and industrial materials, both in such quantities that Hungary's economy would find it difficult to survive without them; thus 60% of Hungary's oil is imported in crude form from the Soviet Union through the "Friendship Pipe Line" and refined in the country. The USSR imports Hungarian finished goods in return. Hungarian bauxite and, apparently, uranium, go to the USSR for processing.

Trading partners next in importance are the other Communist bloc countries, headed by Czechoslovakia and East Germany. This trade is conducted within the framework of the Communist East European trade bloc, COMECON (Council for Mutual Economic Assistance), but Hungarian experts have often expressed dissatisfaction with the working of that body. About 30% of the total foreign trade is done with the capitalist West, and a small amount is done, on credit, with various "underdeveloped countries." Most foreign trade is conducted through state agencies, but under the New Economic Method a few enterprises have been allowed to organize their own exports.

Hungary's balance of payments has sometimes been precarious, as when the damage caused in the 1956 Revolution had to be repaired (the Soviet Union advanced credits for this) and more recently, when the introduction of the New Economic Method was followed by large imports of machinery. In the 1960's the government declared its hope of remedying this by increasing exports rather than by further restricting domestic consumption.

4. Education

In 1948 the Hungarian government took over the whole educational system, except for a few institutions left to the churches for the training of the clergy. The system was reviewed and revised under a comprehensive act in 1961.

Expansion has been very rapid since nationalization. Not only are there far more institutions, but the ratio of teachers to pupils has improved, teaching methods have been modernized, and many new buildings erected, including students' hostels. There are kindergartens for children between the ages of three and six, which are attended by about half the nation's children in that age group. Compulsory schooling begins at the age of six and lasts for eight years. The child then proceeds for four years either to a compre-

hensive secondary school or to an institution of some other type, such as a vocational school, of which there are large numbers. If he wishes to do so and is qualified, the student may then enter one of the higher institutions. (In the early 1970's there were 16 such institutions bearing the title of University and 75 technical colleges.) Primary and secondary education are free, and generous grants, if necessary covering all expenses, are available, where required, to students at high schools.

Not only have the numbers of technical and vocational institutions increased enormously, but even outside these, much stress is now laid on "practical" studies; the expansion of the humane studies has been much less rapid. Efforts are devoted to inculcating ideological orthodoxy; the curriculum laid down by law for secondary schools includes "the furtherance of education in socialist ideology," and the "immediate aim of higher education" is said to be "the training of Communist specialists. . . . The students are introduced from a Marxist angle to the scientific fundamentals and to their method of application in the line of their speciality." For some years after the advent of communism the rule existed that when a student applied for admission to higher studies, not only his abilities but also his social origin were to be taken into account; this meant that children from families belonging to the old "ruling classes" were disqualified from receiving higher education. The rule was abandoned in 1963, but such an origin often still acts as a handicap. It is possible for a pupil to receive two hours' religious instruction weekly.

5. Government

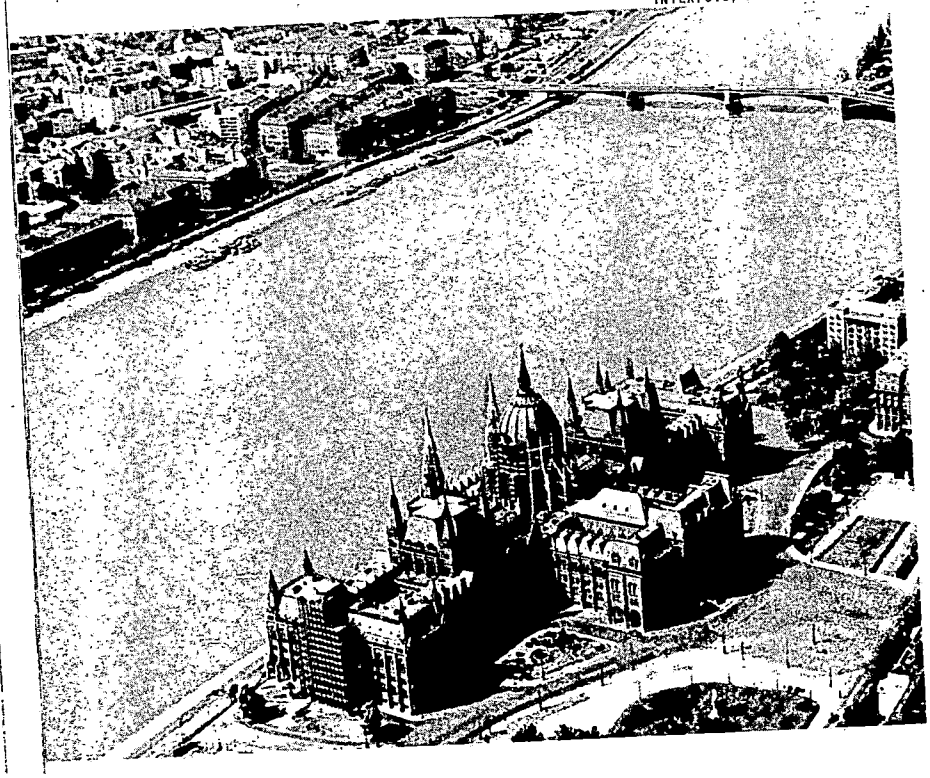
Under the constitution bestowed on it on Aug. 20, 1949, Hungary is a "People's Republic" of the conventional type.

Legislature and Executive. The constitution, which is for the most part a verbatim translation of that of the USSR, declares the repository of sovereignty to be the Parliament, which elects the head of the state, minister president, and departmental ministers, enacts laws, determines the direction of policy, and controls the execution of its decisions. Parliament is elected for a 5-year term by universal adult suffrage. After 1967 it became possible for more than one candidate to stand in a constituency, but all persons offering themselves for election, while they need not be Communist party members, have first to be approved by the "Patriotic People's Front," a nationwide organization that contains some non-Communists but stands under close party control.

Parliament usually meets only three or four times a year for short sessions at which it approves what has been done by the executive. Between its sessions its functions are conducted by a presidential council, which consists of the president, two deputy presidents, a secretary, and 16 other members. The ministerial council is composed of the minister president, 4 deputy minister presidents, 18 departmental ministers, and the head of the national planning office.

Local Government. Hungary is divided administratively into the capital (Budapest), 19 counties (Bács-Kiskun, Baranya, Békés, Borsod-Abaúj-Zemplén, Csongrád, Fejér, Győr-Sopron, Hajdu-Bihár, Heves, Komárom, Nógrád, Pest, Somogy, Szabolcs-Szatmár, Szolnok, Tolna, Vas, Veszprém, and Zala), and 4 cities of county status (Miskolc, Debrecen, Pécs, and Szeged). The counties are divided into districts (járás), towns have district status), and Budapest and the four large cities are divided into boroughs. Under the districts are the villages. Each county and district has its own council, as have most of the villages, but some of the latter share councils with neighbors. Elections to these councils are also for four years and are conducted on a

INTERFOTO, M. T. I., BUDAPEST



HUNGARY'S PARLIAMENT ... across the Danube from ... the hills of Buda. This ... neo-Gothic building ... pleted in 1904. The ... Bridge and Margaret Island ... in right background ...

... principle as those for Parliam ... are slightly freer, especially in ... **The Communist Party.** Behind the g ... de, the real control of Hungary ... ls of the Communist party, offi ... Hungarian Socialist Workers' pa ... ally, the supreme body of the ... ress, which normally meets ever ... congress elects the central comm ... rum elects the politburo and the ... taries. In practice, the first pa ... rtually dictator of the country. ... The party's membership in 1969 ... 000, about 30% of whom were w ... of the members were classifie ... y 30% as white-collar workers, ... of the professions, 9% as cooper ... as pensioners, and 10% as ... 's youth organization (Kommu ... etség) has a membership of a ... The party's decisions and re ... ing only upon its members, an ... hip is not an essential conditi ... high office; in recent years ... been given a number of po ... experience and practical abil ... the party remains the domin ... spects of Hungarian life.

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Communist Party. Behind the governmental
the real control of Hungary lies in the
of the Communist party, officially called
Hungarian Socialist Workers' party." Theo-
the supreme body of the party is its
, which normally meets every four years.
congress elects the central committee, which
elects the politburo and the three party
aries. In practice, the first party secretary
ually dictator of the country.

The party's membership in 1969 just exceeded
000, about 30% of whom were women. About
of the members were classified as workers,
30% as white-collar workers, 10% as mem-
of the professions, 9% as cooperative farmers,
pensioners, and 10% as "others." The
's youth organization (Kommunista Ifjúsági
etség) has a membership of about 600,000.
The party's decisions and resolutions are
ing only upon its members, and party mem-
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high office; in recent years non-party men
been given a number of posts because of
experience and practical ability. Neverthe-
the party remains the dominating factor in
spects of Hungarian life.

Judiciary. The judicial system of Hungary
odeled on that of the USSR. There is a
me court (in Budapest), county courts (of
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district courts (of the first instance). Courts
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one professional magistrate and two people's
essors; the higher courts are composed of pro-
ional judges only. Parliament elects the
mbers of the supreme court; the county and
rict magistrates and assessors are elected by
local councils. Judges are elected for life,
ject to removal on disciplinary grounds.

The duty of ensuring observance of the law
ngs to the chief public prosecutor, who is
ted by Parliament for a term of six years.
whole system is watched by a "central com-
ee of people's control," whose chairman
ends the sessions of the ministerial council in
consultative capacity.

Defense. Hungary's defense forces were
ited by the Peace Treaty of 1947 to 65,000
, with a small air force and river flotilla.
mbers are recruited by conscription. Active
vice in the armed forces begins at the age of
and lasts for two years in the regular branches
three in the specialist branches. The real
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ized figure, and there are also some para-
itary formations. Hungary is a member of the
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ntry.

The strength of the police force is not re-
ed. The security police (the Államvédelmi
ság, or A. V. O.), which had been a par-
arly odious and detested institution in the
ási era, was reduced after 1957. Its opera-
s were made not only less conspicuous but
ly less extensive.

History

The history of the Hungarian state began sud-
ly in 896 A. D., when the so-called Hungarians
their previous habitats on the steppes north
the Black Sea to migrate *en masse* across the Carpathian Mountains and settle on the plains of the Tisza and middle Danube. The invaders were a federation of associated hordes, some of them of Turki stock; but easily the largest group, which eventually absorbed all the rest, consisted of the Magyar people.

The Beginnings. The Magyars were of Finno-Ugrian stock, and their ancestral homes had lain in the forests watered by the upper Volga and the Kama rivers. But they left those homes, at a date and for reasons that are alike unknown, for the Eurasian steppes. In the several centuries that they probably spent there, they largely adopted the mode of living, social organization, and military tactics appropriate to their new environment and characteristic of the Turki and Iranian peoples with whom they came into contact. They were now nomadic horsemen, who lived by their herds of horses or cattle or by raiding their neighbors and selling them into slavery. Their social unit was the clan and above this the tribe. Previous to their move over the Carpathians, there had been seven tribes, only loosely associated; but before migrating they had agreed to vest the hereditary leadership of the whole nation in the family of Árpád, the most powerful of the tribal chiefs.

The Danube Basin in the 9th century was sparsely inhabited and almost masterless. The newcomers had little difficulty in crushing the local opposition and securing their occupation of the central plain, as far as the foothills of the Austrian Alps in the west and the Balkan highlands in the south. The conquest of the northern slopes, as far as the crest of the Carpathians, and of Transylvania, followed gradually; advance posts were pushed forward when the areas behind them had been consolidated.

For the next half-century the invaders were known to Europe chiefly as a scourge. They raided it far and wide, spreading devastation and carrying off booty of slaves and treasure. But their operations were costly also to themselves. They suffered various setbacks, culminating in a crushing defeat by the German Emperor Otto I (the Great) at the Lechfeld outside Augsburg in 955 A. D.

By this time the new generation was becoming Europeanized, and Rome and Byzantium were bidding against one another for their spiritual allegiance. Árpád's great-grandson, Géza, who succeeded to the leadership of the nation in 970, opened up friendly relations with the Holy Roman Empire, had himself baptized, invited German knights and missionaries into the country, and married his son, Stephen (István), to a Bavarian princess. Stephen, who succeeded in 997 A. D., achieved the decisive sequel when he was crowned in 1000. He obtained from Pope Sylvester II, with the agreement of the young Emperor Otto III, a royal crown and apostolic cross as tokens that Hungary had become a Christian kingdom that "belonged in a special way to the Holy Roman Church" and was entirely independent of the empire, both politically and ecclesiastically.

THE NATIONAL KINGDOM

The coronation of St. Stephen (he was canonized in 1083) was the great turning point in Hungarian history, and the rest of Stephen's long reign—he died in 1038—was fundamental for the country's further development. After defeating rival claimants to the crown and the Turki

associates who had hitherto remained semi-independent, he organized Hungary into a strong, centralized state. The national conversion to Christianity was completed with the help of foreign missionaries, and a comprehensive ecclesiastical organization was established.

The "Nation." Stephen's political system was based on Frankish models, adapted to national traditions and usages. The tribal distinctions vanished, leaving only a single "Hungarian nation," consisting of the descendants (in the male line) of the old immigrants, plus any other elements subsequently given the same status. The "nation" was, in a sense, partner with the monarch, who consulted it, or its representatives, on certain occasions. All members of it were personally free, subject only to the king or his representatives. They were subject to the king's law and, in ecclesiastical respects, to the authority of the church, but their only positive obligation toward the state was that of military service. They paid no taxes. The right to own slaves was conceded, although Stephen released his own.

The lands occupied by the "nation," which at that time were usually held communally by clans, belonged to the "nation," nominally in perpetuity. All other land in Hungary, probably two thirds of the country's total, belonged to the crown. This included both the land not previously settled by a clan and the lands of defeated rebels. The conquered peoples and new settlers did no military service but paid taxes.

The country was divided into counties (*vármegyek*), each under a *föispán*, or royal count, a king's official who administered it, collected taxes from it, and led its clans into battle. Stephen also bestowed large estates, with their populations, on the episcopal sees and monasteries that he had founded.

Consolidation. Stephen's only son, the saintly Imre (Emeric) had predeceased him, and since there was as yet no fixed law of succession, Stephen's own death was followed by a period rent with struggles between rival claimants to the crown. These gave foreign powers excuses to intervene in Hungary's affairs; two claimants did homage to the emperor in return for help. There were also two pagan serious revolts. Eventually, however, Ladislas I (László, reigned 1077–1095), who, like St. Stephen, was subsequently canonized, reestablished Christianity and finally asserted Hungary's political independence. Seldom seriously molested from the west, and hardly at all from any other quarter, Hungary now grew into an important power. Ladislas and his successor, Kálmán (Koloman the Bookman, reigned 1095–1116), attached Croatia, whose territory then extended far down the Dalmatian coast, to the "lands of the Hungarian crown"; these lands were governed for the king by a *ban* ("viceroy") though they retained their separate political structures. Natural growth of population and immigration made it possible to extend the effective frontier in the north to the main watershed of the Carpathians.

Géza II (reigned 1141–1162) consolidated Hungary's possession of Transylvania by settling German colonists (the "Saxons") behind the southern passes; the eastern were already guarded by the Szeklers (Szekels), a people akin to the Magyars, who were soon Magyarized. The Saxons and Szeklers were free communities, enjoying extensive self-government, while Transylvania as a whole, although an integral part of Hungary, was administered for the king by a count ("governor"). Under Béla III (reigned 11[illegible]–1196), Hungary was the most powerful state in east-central Europe, challenged only by the Byzantine Empire, with which it disputed the hegemony over the Balkans.

The 13th Century. The 13th century was not so happy as the 12th. The foolish and extravagant Andrew (András II, reigned 1205–12[illegible]) dissipated the royal revenues and lowered the royal authority. Under his successor, Béla IV (reigned 1236–1270), Hungary suffered a frightful Mongol invasion (1241–1242), which left the country largely devastated and its population reduced by half. Béla reorganized the defense forces, built a chain of fortresses, and called in new settlers to repopulate the wasteplaces.

One new element, the Cumans, were a Turkic tribe from the steppes who had entered Hungary as refugees from the Mongols. To win their loyalty Béla married his older son, Stephen (reigned 1270–1272), to a Cuman princess. The son of this union, Ladislas IV (reigned 12[illegible]–1290), grew up half Cuman in spirit as well as blood; he was a wild, lawless youth who almost swung the nation back to paganism, while the whole country fretted under his rule. He died childless in 1290. A grandson of Andrew II, Andrew III, was smuggled into the country and crowned, but he, too, died without issue in 130[illegible], and therewith the male line of the Árpád dynasty became extinct.

Social Structure. During the 12th and 13th centuries the "nobles," as the free class now came to be called, maintained, at least in theory, their collective status and their individual liberties. They even forced Andrew II to concede them, in the famous Golden Bull of 1222, the right to resist unlawful acts by the crown. But while the social and political structure established by St. Stephen had thus remained little changed on paper, the real relationship between the classes had been transformed by the operation of natural causes. Natural increase, supplemented by large-scale admission of colonists, had multiplied the numbers of the unfree men; while wastage and failure of male lines had kept the numbers of the nobles down, even though their ranks, too, had been largely replenished by the creation of new titles by the kings. By the 13th century the ratio of nobles to the total population was probably no more than 1 in 7; later it was to sink to 1 in 20.

At the same time the country had been going over from the old seminomadic stock raising to settled agriculture. The old communal clan lands had been largely parceled out in private holdings, while big areas of crown land had passed into the ownership of individuals. The nobles were thus now spread over all Hungary (except the exempted districts) as a landowning aristocracy, which was also a political one, for in the 13th century the local nobles succeeded in getting the control of the counties into their own hands.

The "noble" class itself was no longer as homogeneous as it had once been. The theoretical equality of status between all members remained, but the spread of individual ownership of land had naturally brought about enormous practical differentiations in terms of wealth between one noble and another. The practice of contenders for the throne of buying support for their cause by bestowing huge estates on favored

[illegible]ans had helped to bring into the magnates." While not yet in[illegible] members of this class wielded [illegible]rity over their own domains [illegible]weak and also monopolized t[illegible] state.

The unfree populations were n[illegible] they still stood outside the pa[illegible]tion, which recognized only th[illegible]n." They enjoyed little pe[illegible] bore the whole burden of the [illegible]. Only the "privileged" com[illegible] the Saxons and Szeklers of Tra[illegible] royal free boroughs, were so[illegible]ably placed.

The ethnic picture, too, had c[illegible] nobles, whatever their origin, u[illegible]ally assimilated to their brothers [illegible]emselves to be Magyars and [illegible]eir tongue. Thus the "Hung[illegible]ined essentially Magyar. But b[illegible] Middle Ages, a similar process o[illegible] also made into Magyars the [illegible]oble population of the central [illegible] the towns, which were mainly [illegible]only the peripheral areas that c[illegible]derable numbers of non-Magy[illegible] Ruthenes, a small but increa[illegible]achs (Rumanians) in Transylva[illegible] "Saxons" of the same area, an[illegible]sland of German settlement in[illegible] (or Zips) district of the Carp[illegible] immigrants in the south. Cro[illegible]rtially Italian seaboard, was p[illegible]

THE ELECTIVE MONARCHY

After the death of Andrew III [illegible] to elect a new dynasty to the [illegible] to the "nation," but "electi[illegible]s in practice, recognition of a *fa*[illegible]ed by the most powerful clain[illegible]nts were usually members of fo[illegible]es, connected on the distaff sid[illegible]. With two exceptions (one[illegible]ized only by a party) all wea[illegible]rown after Andrew III until the [illegible] monarchy in 1945 were, in fact[illegible]reign dynasties, most of whom [illegible]imed, other crowns. This cou[illegible]tage to the nation when such a [illegible]tra-Hungarian resources for the [illegible], but he might, alternatively, [illegible]es, neglect its interests in purs[illegible] ambitions, and trample on its ir[illegible] this occurred, as was most com[illegible] the relationship between the kin[illegible]n" ceased to be a partnership an[illegible] conflict, tacit or open.

Angevins. These drawbacks we[illegible]nt, however, during the reign o[illegible] candidate, Charles I (Carobert [illegible]1342), whose supporters won the f[illegible]d of his son and successor, Louis [illegible]reat, who ruled until 1382. Both [illegible]ed themselves as primarily F[illegible] and their reigns are among the r[illegible] the history of Hungary. After Kin[illegible]nsolidated his international positic[illegible]n the foundations laid by his fat[illegible]ded Hungary with a ring of depe[illegible] northern Balkans, the Danubian [illegible] Galicia, over which Hungary pre[illegible]egnum." In 1370 he also acqu[illegible] of Poland, under a dynastic comp

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ed essentially Magyar. But by the close of
Middle Ages, a similar process of assimilation
also made into Magyars the bulk of the
able population of the central plains, out-
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derable numbers of non-Magyars—Slovaks,
Ruthenes, a small but increasing number
Vlachs (Rumanians) in Transylvania, the Ger-
"Saxons" of the same area, another impor-
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or Zips) district of the Carpathians, and
immigrants in the south. Croatia, outside
partially Italian seaboard, was purely Croat.

THE ELECTIVE MONARCHY

After the death of Andrew III in 1301 the
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ilies, connected on the distaff side with the
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ognized only by a party) all wearers of the
crown after Andrew III until the extinction
the monarchy in 1945 were, in fact, members
foreign dynasties, most of whom also wore,
claimed, other crowns. This could be an
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extra-Hungarian resources for the country's
nse; but he might, alternatively, exploit its
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The Angevins. These drawbacks were hardly
parent, however, during the reign of the An-
in candidate, Charles I (Carobert; reigned
310–1342), whose supporters won the first strug-
, and of his son and successor, Louis (Lajos) I
e Great, who ruled until 1382. Both of these
arded themselves as primarily Hungarian
ers, and their reigns are among the most bril-
nt in the history of Hungary. After King Charles
consolidated his international position, Louis
ilt on the foundations laid by his father. He
rrounded Hungary with a ring of dependencies
the northern Balkans, the Danubian *voivodes*,
Galicia, over which Hungary presided as
"Archiregnum." In 1370 he also acquired the
wne of Poland, under a dynastic compact.

The rules of both these monarchs were autocratic, but at least that of Louis, who was loved as well as feared, was benevolent and enlightened. Both kings favored the aristocracy, after they had broken the powers of the rebellious oligarchs, and introduced elements of feudalism into the political structure; but Louis confirmed the liberties of the smaller nobles and regulated the obligations of the peasants on terms that were not too onerous.

The internal peace, which both kept, and freedom from foreign invasion brought the population to the large figure of 3 million by the end of Louis' reign. Towns multiplied, and industry and the arts flourished. It was a fortunate circumstance that at this juncture Hungary's gold mines were in full production. For although nearly all of the gold flowed into the king's coffers, and Louis wasted much of it on a costly and barren endeavor to secure the throne of Naples for his brother Andrew, enough remained to stimulate the national economy.

The Turkish Advance. Louis' gains, however, hardly outlived him. When he died, leaving only two daughters, the Poles refused to continue the union with Hungary. Louis' Hungarian heiress had been married to Sigismund of Luxemburg, who ruled, first as his wife's consort, and after her death in 1395, alone until his own death in 1437. Under him the national fortunes declined. Gifted but unstable, Sigismund, who was also German emperor and king of Bohemia, neglected Hungary for his other ambitions. In the meantime, the Turks advanced through the Balkans, eating up Hungary's buffer areas there and at last threatening the country itself. Sigismund's successor, the Habsburg Albert (Albert II of Germany), died after a reign of only two years (1437–1439), before he had had time to organize the national defenses.

Hungary was saved in her critical hour by the genius of János Hunyadi, who kept the Turks at bay, acting meanwhile as regent for Albert's posthumous son, Ladislas V. Hunyadi died in 1456 and Ladislas a year later. The nation elected Hunyadi's surviving son, Matthias (Mátyás) I Corvinus, as king. He curbed the magnates, protected the peasants, reformed the systems of administration and justice, and kept a brilliant Renaissance court. But he, too, followed an over-ambitious foreign policy, conquering Moravia and parts of Austria and aspiring to, and well-nigh achieving, the imperial crown.

When Matthias died suddenly in 1490, without legitimate male issue, the malcontent oligarchs deliberately chose a weak king, Vladislav (Ulászlo) Jagiello of Bohemia, to succeed him. Under the impotent rules of Vladislav (reigned 1490–1516) and his son, Louis II, Hungary fell into chaos. The selfish oligarchs repealed Matthias' internal reforms, provoking in 1514 a terrible peasant revolt, which was brutally put down. They plundered the country and neglected its defenses. Meanwhile the Turks had resumed their advance, which in 1526 carried them into Hungary itself. The inadequate force that Louis had scraped together was annihilated at Mohács on Aug. 29, 1526, and the young king himself perished in the rout.

THE PERIOD OF DIVISION

The catastrophe of Mohács led on to the most miserable period of Hungarian history. This need

not have been, for the Turks did not at first try to remain in Hungary, but the nation was divided against itself. Emperor Maximilian had concluded with Vladislav a dynastic pact by virtue of which his grandson Archduke Ferdinand (the future Emperor Ferdinand I), now claimed the Hungarian throne. The "national party," sick of foreign kings, elected John Zápolya, *Voivode* of Transylvania, as king. The rivals wrangled until, in 1541, the Turkish Sultan intervened; he occupied Buda, incorporated central Hungary directly into his own empire, and made of Transylvania an autonomous principality under his suzerainty, tributary to him but ruled for him by its own elected princes. The Habsburgs, while claiming sovereignty over the whole country, were in practice masters only of a strip along its western frontier and the northern highlands.

For several decades after this, the condition of all Hungary was most wretched. Turkish Hungary fared worst of all, its cities sacked and its villages razed; many of its inhabitants were butchered or carried off into slavery, while the survivors were subjected to merciless exactions. Conditions were near tolerable only in the *khas* districts between the Danube and the Tisza rivers, which were directly administered by the sultan's officials. The Habsburgs, their leadership of Germany once established, treated Hungary as an unruly and dangerous borderland, and ruled it from Vienna with scant regard to its constitutional rights or even its welfare. Toward the end of the century the political antagonism between the nation and its Habsburg rulers was exacerbated by a religious conflict; Hungary had become converted to Protestantism and resisted stubbornly the Habsburgs' attempts to reimpose Roman Catholicism on them.

The national spirit and traditions survived best in Transylvania, where the genius of a local statesman, György Martinuzzi, had evolved political forms based on older institutions that gave representation to the "three nations"; the Hungarian nobles, the Saxons, and the Szeklers. At the same time Transylvania's main "recognized" religious confessions—Roman Catholic, Reformed, Lutheran, and after 1571, Unitarian (antitrinitarian doctrine spread widely in Transylvania)—evolved a regime of mutual toleration.

As the 16th century drew to a close, Turkish power grew weaker, less aggressive abroad and more tolerant at home. Transylvania developed into a considerable power. Its prince, István Bocskay, drove out Habsburg forces that had invaded it, enlarged its frontiers, and in 1606, mediated peace between the empire and the Sublime Porte. Gábor Bethlen (reigned 1613–1629) consolidated its internal conditions, maintained an enlightened court, and intervened in European politics, securing some protection for the Protestants of royal Hungary, where the Counter Reformation, although it gained ground, did so under relatively peaceful forms.

In 1657, however, an ambitious prince of Transylvania, György Rákóczi II, overreached himself. The Turks, who were experiencing a brief renaissance of power, attacked him and reduced his principality to near-complete subjection. They then turned on Austria for having helped their vassal. In reality Austria's help, and its conduct of the ensuing campaign, were so half hearted as to provoke a plot to revolt against the Habsburgs in royal Hungary itself. This conspiracy was made the pretext for ferocious reprisals, and the constitution was declared [illegible] and void, Protestants persecuted brutally, [illegible] innumerable estates declared forfeit for rebellion and bestowed on partisans of the Habsburgs, mostly non-Hungarians. A young nobleman, Imre Thököly, led a revolt in 1678 that forced Vienna to retract some of these measures. But the disorder lured the sultan into sending a vast army against Vienna itself, and this venture had dramatic consequences. Vienna was relieved in the nick of time, the Turkish armies rolled back in disorder, and a series of brilliant campaigns under the great Prince Eugene of Savoy ended in 1698 in the expulsion of the Turks from almost the whole of Hungary, including Transylvania. The Turks lost their last small fraction of Hungary 20 years later.

HABSBURG RULE UNTIL 1867

The liberation had, indeed, been effected only at the cost of very great devastation, and for the Hungarians it meant at first only the exchange of one yoke for another. The agents of Habsburg centralizing absolutism and of Roman Catholicism wrought their wills on the recovered country so systematically and so ruthlessly as to provoke, in 1703, another revolt, led by the young and idealistic Ferenc Rákóczi II, descendant of a line of Transylvania princes. Rákóczi held his own for eight years, at the end of which both sides admitted stalemate. The Peace of Szatmár in 1711 restored the constitution, though in a form weakened by concessions extorted by the Habsburgs in the previous half-century.

In 1723, Hungary accepted the Pragmatic Sanction enacted by King Charles III (Emperor Charles VI; reigned 1711–1740), declaring Hungary to be united "indivisibly and indissolubly with the Habsburg dynasty's other possessions. The union was to apply "also against external force," under this clause the nation forfeited, in practice, any influence over foreign policy or defense. Charles swore in return to respect Hungary's institutions, to rule it "not after the pattern of other provinces" but only in accordance with its own laws, existing or to be agreed between the king and the Diet (which was to be convoked every three years), and to defend its integrity.

Stabilization and Stagnation. During the reigns of Charles' and that of his successor, Maria Theresa (reigned 1740–1780), Hungary enjoyed a nearer approximation to peace than ever before in its history. The civil peace was unbroken, and the foreign wars of the period spared Hungarian territory, while its contributions to those waged outside its frontiers were modest. Under these conditions the population grew apace, rising from about 4 million (for all "lands of the Hungarian crown") at the end of the wars of liberation to over 9 million by 1780; and the increased manpower brought a return of prosperity to the land able to profit by it. However, even agriculture was financially profitable only where communications were adequate for the marketing of harvests. No other branch of the economy flourished at all, for the planners in Vienna throttled the development of Hungarian industry in the interest of the new Austrian and Bohemian factories. Thus, the Hungarian economy stagnated while the social system ossified; reforms initiated by the queen did little to improve the condition of the peasants. Cultural life, too, was dormant.

Meanwhile, Maria Theresa ruled not [illegible]

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[illegible] [illegible]Maria Theresa's son, Joseph II ([illegible] [illegible]), shattered the torpor through[illegible] [illegible]all his dominions into a poli[illegible] [illegible]ous, autocratically ruled unity [illegible] [illegible]Diet unconvoked and not subm[illegible] [illegible]onation at all, he evaded his [illegible] [illegible]ation to swear before a coron[illegible] [illegible]ct, the Hungarian national [illegible] [illegible]d all the old autonomous ins[illegible] [illegible]rnment offices and ordained [illegible] [illegible]of administration, of the cou[illegible] [illegible]tion above the primary leve[illegible] [illegible]an. He reduced the landlords' [illegible] [illegible]peasants, and prepared to intro[illegible] [illegible]ble land. He crowned all this [illegible] [illegible]unpopular war against Turke[illegible] [illegible]Hungary was on the verge of [illegible] [illegible]seph's brother and successor, [illegible] [illegible]circumspect Leopold II, allayed [illegible] [illegible]tting himself to coronation a[illegible] [illegible]oath to rule the country [illegible] [illegible]laws. He reinstated the tradit[illegible] [illegible]institutions and restored Lati[illegible] [illegible]of public life. He refused, [illegible] [illegible]Joseph's more salutary meas[illegible] [illegible]probably have insisted on fu[illegible] [illegible]modernization but for his su[illegible] [illegible]. His son and successor, Fra[illegible] [illegible]1835), was young, inexperience[illegible] [illegible]ed by fear of revolution. He s[illegible] [illegible]in "freezing" the status qu[illegible] [illegible]era of social stagnation set i[illegible] [illegible]endorsement of the Hung[illegible] [illegible]tives). This was accompanied [illegible] [illegible]litical absolutism, for Francis c[illegible] [illegible]ver more rarely and perfunctor[illegible] [illegible]left it unconvoked altogether [illegible]

[illegible] **[illegible]nal Awakening.** When, in 18[illegible] [illegible]cy finally forced Francis to m[illegible] [illegible]he found a new spirit stirrin[illegible] [illegible]cultural renaissance was well a[illegible] [illegible]generation coming to the [illegible] [illegible]d that Hungary needed to d[illegible] [illegible]ntact a corpus of antique priv[illegible] [illegible]e voice of reform was first ra[illegible] [illegible]world by an aristocrat, C[illegible] [illegible]nyi, in a series of books in wh[illegible] [illegible]unced the sacrosanct "noble" [illegible] [illegible]tive obstacles to the nation's ec[illegible] [illegible]progress. Soon Széchenyi h[illegible] [illegible]ed aside by a younger and r[illegible]

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le, Maria Theresa ruled not

bsolutely than her forebears. She convoked Diet only three times in 40 years, and took important decisions by simple rescript. lvania was left as a separate principality, southern fringe of the country (the Frontier," established long before, and nát of Temesvár, recovered from the Turks 718) remained under separate administra- controlled from Vienna. But Maria The- despotism was benevolent, except towards Protestants, and she respected the treasured native of the nobles that exempted them taxation.

brief, the country sank into a not unpleas- torpor in which the national spirit itself ed. Magyar traditions were forgotten, and very language threatened to sink into a peas- dialect; public life was carried on in Latin, German gained ground as the language of society and of business. The magnates oped into a class of courtiers, actively de- to the crown and largely estranged from own countrymen.

Maria Theresa's son, Joseph II (reigned 1780–90), shattered the torpor through his desire to all his dominions into a politically homo- autocratically ruled unity. By leaving Diet unconvoked and not submitting himself oronation at all, he evaded his constitutional ation to swear before a coronation Diet to the Hungarian national liberties. He all the old autonomous institutions into ament offices and ordained that the lan- of administration, of the courts, and of all ation above the primary level, should be an. He reduced the landlords' powers over peasants, and prepared to introduce taxation able land. He crowned all this by embarking unpopular war against Turkey. When he Hungary was on the verge of rebellion.

seph's brother and successor, the shrewd circumspect Leopold II, allayed the storm by itting himself to coronation and repeating 's oath to rule the country through its laws. He reinstated the traditional autono- institutions and restored Latin as the lan- of public life. He refused, however, to Joseph's more salutary measures, and he probably have insisted on further reforms modernization but for his sudden death 792. His son and successor, Francis (reigned -1835), was young, inexperienced, timid, and ed by fear of revolution. He saw no safety in "freezing" the status quo, so that a eta of social stagnation set in (with the endorsement of the Hungarian estates elves). This was accompanied by a return olitical absolutism, for Francis convoked the ever more rarely and perfunctorily and, after left it unconvoked altogether for 13 years.

National Awakening. When, in 1825, financial ency finally forced Francis to meet the Diet he found a new spirit stirring. The na- cultural renaissance was well advanced and generation coming to the fore, which ed that Hungary needed to do more than ntact a corpus of antique privileges.

The voice of reform was first raised audibly world by an aristocrat, Count István enyi, in a series of books in which he bold- ounced the sacrosanct "noble" prerogatives ositive obstacles to the nation's economic and progress. Soon Széchenyi himself was dered aside by a younger and more radical generation, whose mouthpiece was the fiery Lajos Kossuth. Kossuth wanted for Hungary, ultimately, much the same internal reforms as his rival, but while Széchenyi hoped to advance gradually, in agreement with Vienna, Kossuth held that the indispensable precondition for progress in any field was the achievement of national liberty (meaning the reduction of the control of "Vienna" to within its lawful limits). Since Francis and, after his death, the regents governing for his simple-minded son, Ferdinand (reigned 1835–1848), opposed any suggestion for a change, Kossuth's thesis soon became popular, and Hungary's "reform movement" became primarily a political struggle against Vienna.

As such, it was waged during the 1840's with great vigor by an enthusiastic band of reformers —Kossuth (Széchenyi had by now dropped out), Ferenc Deák, a sage, upright, and encyclopedic lawyer, Baron József Eötvös, a brilliant political theorist, and many others. Against them the Austrian chancellor, Metternich, mobilized a group of Hungarian magnates, who consented to a measure of social and economic reform, accompanied by even closer political control from Vienna.

But by this time, other factors had entered the political equation. The Croats had suddenly undergone, with traumatic intensity, their own national renaissance; its leaders rejected with loathing Croatia's link with Hungary, for which they wished to substitute an immediate relationship with Vienna. Similar problems were arising in Inner Hungary and in Transylvania. Ethnic conditions in both had been radically altered by the Turkish wars (the brunt of which had fallen on the most purely Magyar districts), by subsequent immigrations of Serbs, Croats, and Rumanians from the Balkans, and by Vienna's colonization of empty areas, chiefly with Germans. The Magyars now numbered little over 40% of the total population, and in all the peripheral areas they were outnumbered by other elements—Germans in the west, Slovaks in the north, Ruthenes in the northeast, Rumanians in Transylvania, and Serbs and Croats in the south. Many of these had been developing their own aspirations. Some wished for nothing more than freedom of national self-expression within Hungary; but others looked outside Hungary—at that time, to Vienna, which saw in them welcome allies against the truculent Magyars.

Some of the Magyars themselves did no more than insist that the Hungarian state must remain, as it had always been, politically unitary, but others now demanded that it should be Magyar. These latter initiated a campaign to Magyarize the "nationalities." The legitimate wish to see the national language replace Latin in public life led the hotheads to press through some measures, and to demand more, which really disregarded the reasonable wishes of the minorities and exacerbated and strengthened the movements that they hoped to eliminate.

Revolution, Reaction, and Restoration. In the Diet of 1847 the parties of authority and reform were almost equally balanced. The former accepted a large part of the reformers' social program, but they were still standing fast on the question of central political control when, on Feb. 29, 1848, news of the revolution in Paris reached Vienna, causing the regime there to totter. Seizing his chance, Kossuth rushed through an intimidated house a series of measures that

included, besides social reforms, the appointment of a responsible Hungarian government, with a large measure of independence in foreign policy, defense, and central finance.

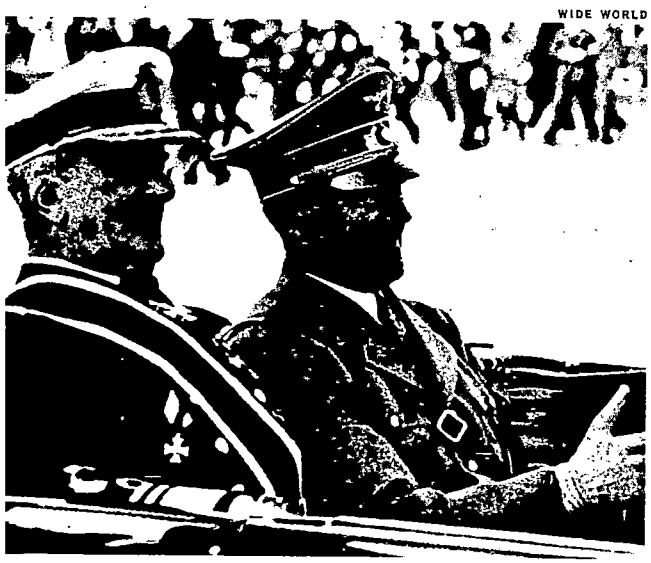
Ferdinand sanctioned these laws on April 11, but his advisers regarded them as concessions wrung from the crown in its hour of weakness and dangerous to the integrity of the monarchy. They enlisted the help—willingly given—of the Croats and the disaffected "nationalities." In the autumn, Croat forces invaded Hungary. Next, Ferdinand was forced to abdicate in favor of his nephew, Francis Joseph; the Hungarian Diet responded, on Kossuth's motion, by proclaiming the dethronement of the Habsburg dynasty. The fighting proceeded, with many successes for the Hungarian armies; but Francis Joseph appealed for help to the Russian Czar, before whose armies the Hungarians, hopelessly outnumbered, capitulated at Világos on Aug. 13, 1849.

Savage reprisals followed, and the country was placed under martial law, succeeded by an absolutist regime exercised from Vienna. This lasted for a decade but without breaking the nation's spirit. After his defeat in Italy in 1859, Francis Joseph saw the necessity of reconciliation, while in Hungary opinion rallied behind Deák, whose position was that the "April laws" of 1848 must be recognized as valid but might be revised by agreement.

Negotiations were opened, conducted for Hungary by Deák and the brilliant Count Gyula Andrássy. They ended in 1867 in the conclusion of the so-called "Compromise", under which Hungary emerged as an independent and equal partner with Austria in the new "Austro-Hungarian monarchy." Hungary's territorial unity was restored and its complete internal independence guaranteed. Foreign affairs and defense were under "common" ministers, responsible to "delegations" from the two parliaments. The economic relationship between Hungary and "Austria" was to be reconsidered every 10 years; at first, it was that of a customs union. The transaction was sealed by the coronation of Francis Joseph in Budapest on June 6, 1867.

ADOLF HITLER rides with Admiral Horthy (*left*) in 1938, when Hungary was well within the Nazi German orbit.

WIDE WORLD



THE DUALIST PERIOD

Much as Hungary recovered under the C… promise, the instrument still left it only qua… independence in some fields, especially th… defense. A struggle set in between its suppor… and its opponents, which came completel… dominate the political life of the country. Fo… two generations, however, parties pledge… support the Compromise—the "Deák party"… its collapse in 1873 and, after 1875, a "L… party" organized by Kálmán Tisza—were able… maintain themselves in office. During this … Hungary played its full part in the life of … dual monarchy and, at home, made considera… progress in many fields. The open A… market brought prosperity to Hungary's agri… tural producers. Industry, after a slow … developed very rapidly after 1890. Communi… tions were modernized. The towns, especia… Budapest (now one city), grew apace.

Economic and Social Problems. There were, … deed, heavy debit items to set against these … its. The continued rapid rise of the popula… from about 13 million in 1850 to 19¼ … in 1900—was no longer an unmixed bl… Although partially relieved by emigration … 1890, it still far outstripped the absorptive … ity of industrialization, and the result was … rural congestion. By the end of the 19th cen… nearly half the entire agrarian populati… quarter of the total gainfully employed p… tion of the country, was totally landless … nearly as many were subsisting on holdings … small to support them. The physical destitu… among these classes was often terrifying. … contrast, nearly one third of the entire area … Hungary was held in the form of large … by fewer than 4,000 proprietors. The condi… of the new industrial proletariat were little … than those of its rural counterpart.

The political parties, absorbed in the … constitutional controversy, ignored social … lems. The landlords and a small but influ… class of financiers, mostly Jewish, who … forces with them made it their chief con… protect their own interests by maintaining … political predominance. The restricted f… and open voting enabled them to do this … effectively. The bourgeoisie failed to develop … an independent political factor.

Magyarization. Under the Compromise C… had been obliged to resume its status of … of the Hungarian crown," and a restatement … the Hungaro-Croat relationship in 1868 left … Croat nationalists dissatisfied. Another law … the same year, while maintaining the unitary … litical character of the Hungarian state and … ing Magyar the language of its central and … level services, laid down that the non-Magyar … of inner Hungary must enjoy treatment … use of their languages in private life, … and the lower levels of public life. The … ever, was too little for the leaders of the … tionalities," who wanted the state reorganized … a complete multinational basis, while … vinistic Magyar public opinion continued … mand that the state must be Magyar. The … was forgotten in favor of a campaign of … less intensive Magyarization, conducted … the schools and through social and administrative … pressure. This was not everywhere resented … even everywhere unwelcome; the expanding … dle class was largely made up of willing …

…lovak recruits, while its subs… …onents Magyarized with enth… …the turn of the century not o… …the entire official apparatus … …ar in speech and feeling, bu… …upper social strata; the propo… …e Magyars" in the total popula… …ded) had risen from 41.6% in … …000. But most of these gains … …d in central Hungary, especia… …they chiefly reflected voluntar… …lation. They had been slight … …areas, where the main ethnic … …y moved. The populations h… …ominantly non-Magyar, and w… …ut among them was not univ… …pread enough to be potentiall…

…itical Complications. Meanwhi… …Liberal party on the couni… …ning steadily after Tisza's resig… …er presidency in 1890. In 19… …d at the polls by a coalition … …" Francis Joseph allowed … …m a government only on secr… …ded their hands, and in 1910 … …István Tisza, brought his f… …med the "Party of Work") bac… …t was clear that among the … …themselves the opponents of … …now outnumbered its supporte… …in position only by Francis Jose… …ow, as before 1848, the equatio… …simple. The Social Democra… …a perceptible "third force" … …rs themselves, and both the C… …alities" were exchanging rel… …for active agitation. Many … …and even some Slovaks, looke… …rs of Hungary and even of th… …for solutions. Finally, Francis … …ptive, the Archduke Franz Fe… …to be considering plans to … …system when he came to the … …other structural arrangement … …less favorable to Hungary.

…rld War I. Franz Ferdinand's … …1914 removed this threat. … …Hungary entered World War I … …ent of the Austro-Hungarian … …the side of Germany, but o… …defeat in 1918. An attempt … …Károlyi, in October 1918, t… …y from Austria, placate the … …essions, and introduce interna… …al reforms came too late. The … …their own ways, or had these … …m by Serb, Rumanian, and C… …vaded the country. On Jun… …y signed the Treaty of Tria… …reduced its frontiers.

TRIANON HUNGARY

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THE DUALIST PERIOD

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But most of these gains had been ef-
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areas, where the main ethnic frontiers had
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nantly non-Magyar, and while the dis-
among them was not universal, it was
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ical Complications. Meanwhile, the hold
Liberal party on the country had been
ing steadily after Tisza's resignation of the
presidency in 1890. In 1905 it was de-
at the polls by a coalition of "national
Francis Joseph allowed the coalition
a government only on secret conditions
their hands, and in 1910 Tisza's son,
István Tisza, brought his father's party
the "Party of Work") back into office.
was clear that among the enfranchised
themselves the opponents of the Compro-
now outnumbered its supporters, who were
in position only by Francis Joseph's support.
Now, as before 1848, the equation had ceased
be simple. The Social Democrats were be-
a perceptible "third force" among the
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system when he came to the throne with
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less favorable to Hungary.

World War I. Franz Ferdinand's assassination
ne 1914 removed this threat. A month
Hungary entered World War I intact, as a
onent of the Austro-Hungarian monarchy
at the side of Germany, but only to share
defeat in 1918. An attempt by Count
Károlyi, in October 1918, to dissociate
gary from Austria, placate the nationalities
ncessions, and introduce internal social and
cal reforms came too late. The nationalities
their own ways, or had these designated
them by Serb, Rumanian, and Czech forces
ovaded the country. On June 4, 1920,
gary signed the Treaty of Trianon, which
reduced its frontiers.

TRIANON HUNGARY

Károlyi's government had been ousted in
1919 by the Communist regime of Béla
which itself was overthrown the following
. It was the conterrevolutionary govern-
then established that signed the Trianon
. The first Parliament of this Hungary
Adm. Miklós (Nicholas) Horthy pro-
head of state as "regent." Hungary was
left a kingdom; but the question whether
king, Charles, was still its legitimate mon-
was left unresolved after Charles had twice
to reoccupy his throne in 1921.

The first postwar years were marked by extreme economic misery due to the exhaustion of war, the dislocations caused by the treaty, and a predatory Rumanian occupation in 1919. It was also a time of political unrest both from the Left (poor peasants and workers who had seen their hopes first raised, then dashed) and also from middle-class elements rendered destitute by the inflation, many of them into the bargain, homeless refugees or expellees from the successor states. This embittered army of the new poor formed a "Right Radicalism," which turned against those factors it held responsible for Hungary's defeat, especially against Bolshevism and Jewry, which they linked together.

Reconstruction and the Depression. Political, social, and financial-economic order were eventually restored by Count István Bethlen, who became minister president in 1921. He silenced each element in the opposition by concessions large enough to make them worth accepting, while not so large as to alter substantially the social structure of prewar Hungary. At the same time, he consolidated the political supremacy of the old order by reintroducing a restrictive franchise with open (as opposed to secret) voting in rural areas. He won Hungary's admittance to the League of Nations in 1922 and secured a League loan with which, and with further lavish borrowings, the currency was stabilized and considerable economic reconstruction carried through. He soft-pedaled the campaign to revise the Trianon treaty, because, although a revisionist like other Hungarians of his class, he believed that Hungary must hold its hand in this respect until it was strengthened at home and had acquired friends abroad.

However, the world crisis of 1929–1931 plunged Hungary into new difficulties. Bethlen resigned in 1931, and his successor, Count Gyula Károlyi, lasted only a year. The next minister president, Gyula Gömbös, the leader of the "Right Radicals," found himself the prisoner of Hungary's creditors, domestic and international. When he died suddenly in 1936, he had realized none of his internal program nor his ideal of a "Rome-Berlin Axis" with Hungary as a third partner; this plan foundered because Italy was then at loggerheads with Germany over Austria.

The German Shadow. As Nazi Germany came to overshadow the European scene, Hungary became painfully divided. Germany was prepared to help Hungary revise the Treaty of Trianon at the expense of Czechoslovakia but not of Rumania or Yugoslavia. This was more than the country could hope to obtain from any other quarter, but it would presumably involve a large measure of dependence, both political and economic, on Germany. The Right Radicals made light of this and welcomed Germany's sympathy with their own program, especially its anti-Semitic aspects; while the "Liberal-Conservatives," with whom Horthy had now come to associate himself, feared it for that very reason. Further, the Right Radicals and, in the main, the army officers believed that Germany would win a European or world conflict and, therefore, that Hungary should ally itself with Germany and reap the reward. The other party, again including Horthy, held the opposite view. Both parties, however, agreed in their fear of the Soviet Union and their detestation of Bolshevism.

Hungary, therefore, now walked the narrowest of tightropes in the attempt to draw profit

PHOTOS BY ERICH LESSING, FROM MAGNUM

THE HUNGARIAN REVOLT OF 1956 against the Communist regime was begun by students (*left*) and joined by the populace. The concessions won were later brutally withdrawn under Soviet repression.

from Germany's actions without paying the price. This proved beyond its powers. It did, indeed, secure some treaty revisions at the expense of Czechoslovakia (1938 and 1939) and Rumania (1940), but it was forced to engage itself ever more closely with Germany and to placate that country with Fascistic internal legislations.

World War II. In April 1941, Count Pál Teleki, who had been minister president since February 1939, killed himself rather than abet Germany's attack on Yugoslavia, with which Hungary had just concluded a treaty of friendship. His successor, László Bárdossy (minister president, 1941–1942) carried Hungary into war against the USSR, whereafter the country became involved in war with Britain and the United States. Miklós Kállay (minister president, 1942–1944) tried to recapture the goodwill of the West while maintaining a defensive front in the East, but in March 1944, Hitler lost patience with him. German troops occupied Hungary, and the Hungarian Jews, outside Budapest, were carried off to the gas chambers.

In August 1944, Horthy dismissed Germany's nominee as minister president, Döme Sztójay, for his own trusted servant, Gen. Géza Lakotos, and sent a mission to Moscow to negotiate an armistice, but when he announced his intentions on October 15, the Germans forced him to abdicate and abducted him. Ferenc Szálasi, the leader of the extreme right-wing "Arrow Cross," who took over, had to accompany the German and Hungarian armies in their retreat across Hungary before the advancing Soviet forces. The last parts of Hungary were "liberated" on April 4, 1945; meanwhile, on Dec. 23, 1944, a "provisional government of democratic Hungary" had been formed at Debrecen, behind the Soviet lines and under Soviet auspices. On Feb. 2, 1947, the Hungarians signed a peace treaty at Paris that restored the 1920 frontiers, with a small modification in favor of Czechoslovakia.

HUNGARY UNDER COMMUNISM

The little group of agents who had been brought back with the Soviet armies to communize Hungary at first masked their batteries. The first "provisional government" contained only two Communists, and it was promised that the government would be a "coalition of democratic parties." ("Democratic" parties were those of the Left that had formed a "resistance front" with the Communists during the war—the Smallholders, Social Democrats, National Peasants, and even a group calling itself the "Progressive Bourgeoisie.") A program issued in the spring of 1945 provided for the expropriation of the big estates and the nationalization of mines and heavy industry, but it also promised guarantees of democratic rights and liberties, respect for private property, and the encouragement of private initiative in trade and small industry.

The first elections, held in November 1945, were really free, although only the coalition parties were allowed to contest them. This, however, was due to an error of judgment by the Communists, who had believed themselves popular. When, on the contrary, the elections gave the Smallholders an absolute majority, they were allowed to retain the minister presidency, but the Soviet mission insisted that the Communists must be maintained, and that the Communist interior minister should hold the ministry of the interior and controlled the police.

In the next years the bourgeois parties were subjected to intimidation and actual [illegible], while the Social Democrats were compelled to fuse with the Communists in a new "Workers' party." By 1949 the process was complete, and the elections of that year the voters were merely presented with a single list, composed exclusively of Communists or their protégés. Finally, the "nationalist" wing of the Communist party was eliminated. This left the "Muscovite"

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Ernő Gerő. Then, on October 23,
national resentment exploded. A revolt
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to Budapest were expelled, local councils
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chased away the party officials and re-
their own lands. A hectic week, during
the regime gave way step by step, found
once more minister president, at the head
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of the reconstituted "democratic" par-
a "Catholic Alliance." The political
were released as their guards fled.
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Ukraine, reoccupied the capital on No-
4, while from behind their lines, János
national Communist" who only a few
before had agreed to serve under Nagy, an-
the formation of a "peasant-worker
ment" "to save Hungary from Fascist
revolution." This time the fighting was
and bitter, and after hostilities were
the workers and miners maintained a long
obstinate general strike. At last, however,
was restored, leaving Hungary the poorer
many thousands dead or transported to the
Union and much material damage. Nearly
00 refugees had escaped the country.
After 1956. Kádár never represented himself
anything but a convinced, and, as he put it,
orthodox Communist, and he obviously be-
that the maintenance of Communism in
ary depended on the closest possible asso-
with Moscow. The fall of Khrushchev, with whom Kádár had apparently been on terms of warm personal friendship, did not modify this conviction. Hungary's allegiance was transferred, with some initial embarrassment, to Khrushchev's successors. Consequently, not only was the Russian garrison allowed to remain in Hungary after the repression of the revolution (although its presence was rendered as inconspicuous as possible), but the integration of Hungary's defense system with that of the Communist bloc, through the Warsaw Pact, was made complete.

On every occasion that offered itself Hungary expressed absolute fidelity to the Moscow line, whether against the West, against China, or in any other respect. Thus in 1968, Hungary officially endorsed the Soviet invasion of Czechoslovakia and itself sent a contingent to the occupying force. It is believed, indeed, that Kádár had previously made powerful efforts to avert the occupation, but these included attempts to persuade the Czech leaders to abandon any moves dangerous to the solidity of the Communist bloc.

At home, every concession of principle that had been promised when the issue was still uncertain was retracted as soon as the revolution was safely crushed. The workers' councils that had sprung up during the revolution and had been promised extensive powers were simply liquidated. The peasants were driven back into the cooperatives by irresistibly powerful "persuasion" that left the socialization of agriculture more complete than it had been before 1956. For a voice in public affairs non-Communists had to content themselves with the "People's Front." The New Economic Method was merely an unacknowledged copy of that already introduced in Moscow.

Kádár, however, while insisting that the regime in Hungary was, and must remain, a dictatorship of the proletariat, mitigated this in practice by enunciating, and maintaining in the face of considerable opposition from the Stalinist wing of the party, the principle that "he who is not against us is with us." In general, he insisted on the immutability of Communist principles, but he did his best to humanize and even to popularize the application of them. The country acknowledged the real contrast between his regime and the terror that had preceded it.

7. Culture

Most of the surviving relics of the old Magyar invaders of Hungary are personal adornments, arms, or horse trappings excavated from funeral tumuli. They represent a typical steppe culture. The motifs of the ornamentation, which is often very rich, show Sassanid influences.

The Medieval Period. With the national conversion to Christianity the old culture, with its pagan associations, was frowned on. It lived on in folk poetry or heroic minstrelsy, recited or sung to old tunes, and in the dress, domestic utensils, and dances of the poor; but the styles and, where appropriate, language of the more sophisticated arts were copied from foreign models and usually designed by foreign masters. The execution often shows native characteristics, and as time went on an increasing number of the practitioners were Hungarians. The earliest surviving buildings show Byzantine or Lombard influences, but before long the predominant architectural influence came to be that of French Romanesque. Most of these buildings were ecclesiastical, and the monasteries, notably the Bene-

dictine Abbey of Pannonhalma (founded in 996), were the chief centers of general culture.

Many of the products of these centuries are of a high standard. The recently excavated royal castle and Chapel of Esztergom (12th century) and the Church of Ják (1256) are as fine as any of their style and date in Europe. Some pieces of historical narrative composed towards the end of the 11th century (preserved only in fragments) are of quite outstanding quality. Highly interesting, too, is the romantic *Gesta Ungarorum*, composed about 1200 A. D. by the "Anonymous Notary of King Béla" (Béla III).

The Mongol invasion of 1241–1242 cut this development short and destroyed many of its products. For several decades after this, building activity went chiefly into the construction of fortresses, while the more humane arts languished. They revived in the prosperous reign (1342–1382) of Louis I the Great, which saw the construction of many notable churches in the Gothic style and also the appearance of native schools of sculpture and mural painting. Under Louis, the great National Chronicle was compiled (one illuminated copy of this, the so-called *Chronicon Pictum*, is hardly surpassed in Europe), and a university, one of the oldest in Europe, was founded in Pécs.

Another and still more notable cultural flowering came in the reign of Matthias Corvinus, that brilliant and versatile Renaissance figure, who kept a magnificent court at which all the arts, including literature, flourished. Under his patronage a printing press was established in Buda as early as 1471 and a university founded at Pozsony (Bratislava). Many new churches were erected, as well as other buildings, including Matthias' own palace at Visegrád (destroyed by the Turks). It is true that Janus Pannonius and other writers of his day used Latin as their medium and that the objects (including codices) in Matthias' famous collections (on which he spent far more than his subjects could afford) were largely bought abroad; and if they were made locally, they were fashioned by imported craftsmen. Even so, their influence stimulated the native culture.

The 16th–18th Centuries. The terrible 16th and 17th centuries were not a period in which the arts could flourish, although they produced much original and beautiful folk poetry, largely martial, and a few outstanding literary works. Notable among the latter are the lyrics of Bálint Balassa (1554–1599) and the noble epic in which Miklós Zrinyi (1620–1664) celebrated his great-grandfather's heroic defense of Szigetvár against the Turks. An interesting Protestant literature flourished in Transylvania under the enlightened reign of Gábor Bethlen (reigned 1613–1629).

In royal Hungary the Counter-Reformation brought buildings and paintings in the sumptuous baroque style of the age. After the expulsion of the Turks this style spread across Hungary, which came to be studded in its more prosperous parts with palaces—some of which, such as the great Esterházy Palace at Eszterháza, were most magnificent—and elsewhere with more modest manors and town dwellings. Joseph Haydn served the princes Esterházy for many years as *Kapellmeister* ("music director").

The culture of the reunified Hungary was, however, for a long period more Austrian than Hungarian. The magnates, its chief patrons, were denationalized, and even the language of literature, as well as that of public life, was La... The national spirit itself seemed to be dying.

Hungary's Renaissance. Toward the end of Maria Theresa's reign a revival in literature ... in, pioneered by György Bessenyei (1743–1811), and in the national resistance to Joseph II's attempted Germanization, Magyar became the accepted language again. Ferenc Kazinczy (1759–1833) and, after him, Ferenc Kölcsey (1790–1838) purified and enriched the language, making it a vehicle capable of expressing subtle emotion and complex thought. It inspired the first important works now to appear in Magyar, the tragedy *Bánk Bán* (1815) by József Katona and the monumental *Zalán futása* (1825; *The Flight of Zalán*) by Mihály Vörösmarty. Soon it was being used for writings of every kind, from fiction to philosophy and political satire. Jó... Eötvös used it for all these purposes. The supreme figure of this early flowering in the first half of the 19th century was Sándor Petőfi, one of the great lyric poets of all time. His friend János Arány, was hardly less outstanding.

The Later 19th Century. The half century after 1849 is the classic age of Hungarian literature. Its leading figures include the versatile and prolific Mór Jókai; Imre Madách, author of the play *Az ember tragédiája* (1859; *Tragedy of Man*); Zsigmond Kemény; and the brilliant novelist of manners, Kálmán Mikszáth. In music, meanwhile, Hungary had given the world Franz Liszt and Ferenc Erkel, besides many lesser composers and executants. Hungarian light music and operetta made a special name for itself.

The great classical painters are Viktor Madarász, Bertalan Székely, Gyula Benczur, and Mihály Munkácsy. Pál Szinyei-Merse introduced impressionism to Hungary. Architecture was the least original of the arts: its most grandiose creations tended to look for inspiration to what was being done in Vienna or even further afield, as with the neo-Gothic Parliament building in Buda, which was inspired by the Houses of Parliament in London. More original and traditional was Ödön Lechner, who designed the Museum of Decorative Arts.

By now the Hungarian Academy (founded 1825) was presiding over valuable work in history, ethnology, and other areas. Notable figures in medicine included Ignaz Semmelweis and Frigyes Korányi. The physicist Loránd Eötvös became famous for his work on gravity.

The 20th Century. The opening of the century brought new figures and new inspirations, especially in music and literature. Béla Bartók and Zoltán Kodály began their work by making studies of folk music, and their own compositions, which were largely inspired by these studies, rank among the supreme and truly Hungarian achievements of the national genius. Literature was dominated by the remarkable figure of Endre Ady, a lyric poet of great genius and inspirer of a group called the Nyugat ("West"), many of whose members were also conscious revolutionaries in politics as well as in letters. The work of Zsigmond Móricz and Gyula ... resembles that of Bartók and Kodály in its realist inspiration. The lyrics of Attila József are inferior only to those of Ady. Other outstanding figures of the new school are Mihály Babits, Dezsö Kosztolányi, and Gyula Krudy.

The post-World War II Communist regime professes a devotion to culture, and in some respects its claims are justified. The Academy ...

...med the Hungarian Academy of ... the official body in charge of a ...ties) has been numerically enlarg... new functions. The state th... ballet are generously subsidized ...warded each year for outstand... in art, literature, and scien... done to interest the provinci... in things of the mind. Th... of books published each ye... and that of copies sold, st... On the other hand, the objecti... is, confessedly, "to ensure ... victory of Marxism-Leninism ... revisionism and all bourgeo... geois tendencies"; art is to b... realism founded on Ma... logy." Some of the leaders o... life have, by the nature o... little affected by these rulings; ... able to adapt themselves to ... again, especially writers, hav... conflict with authority, an... number have left Hungary alt...

C. A.

Author of "Hungary: A Sh...

Language

Hungarian, or Magyar as it is ... tongue, is a member of the eas... Finno-Ugrian language famil... tongue of about 15 million ... speakers live in Hungary; 3.5 ... surrounding countries (Ruma... Yugoslavia, Austria); and ... elsewhere, most of them (1.2 mi... United States.

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...many new functions. The state theater, opera, ...
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...are awarded each year for outstanding achieve...
...ments in art, literature, and science. Much is ...
...being done to interest the provincial towns and ...
...villages in things of the mind. The number of ...
...titles of books published each year has risen ...
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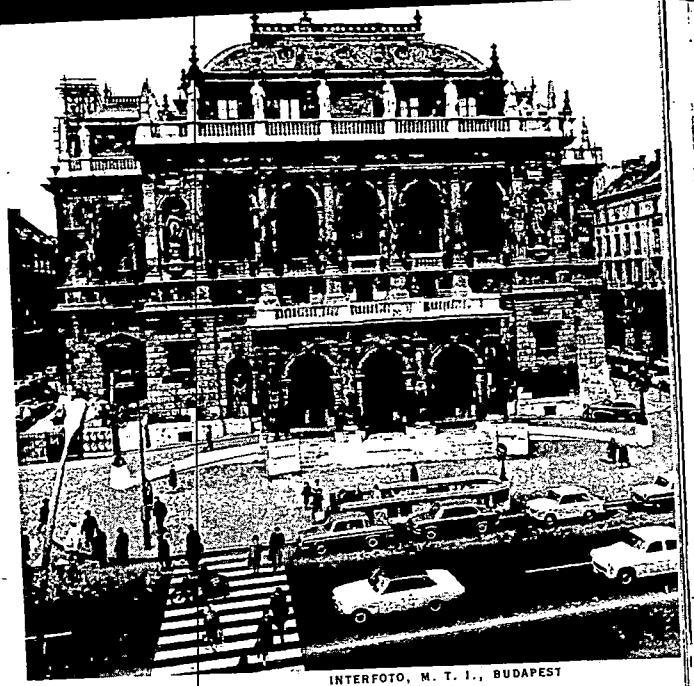
...ciable number have left Hungary altogether.

C. A. MACARTNEY

Author of "Hungary: A Short History"



INTERFOTO, M. T. I., BUDAPEST

BUDAPEST'S 19th century opera house plays a leading role in the cultural life of this musical country.

Language

Hungarian, or Magyar as it is called in the native tongue, is a member of the eastern division of the Finno-Ugrian language family. It is the native tongue of about 15 million people: 10 million speakers live in Hungary; 3.5 million live in the surrounding countries (Rumania, Czechoslovakia, Yugoslavia, Austria); and 1.5 million live elsewhere, most of them (1.2 million) in the United States.

There are eight main dialects of Hungarian, not very strongly differentiated from each other. Standard Hungarian is based on the speech of the Budapest region.

Development. Spoken Hungarian appeared in Europe at the end of the 9th century A. D. The literary language developed rather slowly for two main reasons: (1) The influence of Latin in medieval Christian Hungary was extremely strong. Prose and verse were written almost exclusively in Latin until the 16th century; and Latin as a medium of communication continued to function well into the 19th century. It was only then that Hungarian became the official language of education and government. (2) Unfortunate political events and national disasters, such as the invasion of the Tatars in the 13th century, the 150-year occupation of the major part of the country by the Turks in the 16th and 17th centuries, and the oppressive policy of the Austrians toward the Hungarian nation during the Dual Monarchy (1867–1918), stifled development of the language and the national literature.

The first written work in Hungarian is dated from the 13th century. Several codices are extant from the 14th and 15th centuries, and the Reformation greatly encouraged publication in the native language. The first Hungarian book was printed in 1533. Although in the 16th and 17th centuries the literary language improved considerably, it was not until the very important "linguistic renovation" (last quarter of the 18th century and the first half of the 19th century, during which some 10,000 new words were created) and the foundation of the Hungarian Academy of Sciences (1825) that Hungarian emerged as a rich and highly developed language.

Hungarian authors began with modest translations from foreign literatures (mostly Latin); then, inspired and influenced by great foreign poets and writers, they formed various literary "schools" (Latin, German, French, English), and tried to emulate their masters. Finally a literature was produced, national in language and character, excellent in content and execution.

Pronunciation. Although the Hungarian language has virtually no elements of grammar or vocabulary in common with any of the Indo-European languages except a number of loanwords (mostly from Latin, German, and the Slavic languages), the differences in phonetics are minimal, since the range of sounds and their manner of production are essentially the same. But in Hungarian the letter-to-sound relationship is constant, resulting in a truly "phonetic" pronunciation. Hungarian uses the Roman alphabet with a few modifications (*ö, ü, gy, ly, ny, ty, cs, sz, zs*). Single and double phonemes are found among both vowels and consonants, but double consonants are not allowed in initial positions. The length of the vowel is indicated by diacritical marks (′ or ″) placed above the vowel (*ház*, "house"; *fű*, "grass"). A strong initial stress of the word is characteristic, with little weakening of unaccented syllables.

A prominent feature of the language is the "vocalic harmony," a principle according to which a word may contain only certain types of vowels: back vowels (*a, o, u*), or front vowels (*ö, ü*), with *e* and *i* found in either group. The vocalic harmony is followed through in all suffixations, both of nouns and of verbs, including the use of linking vowels. Hence virtually all suffixes have developed two or three variants for use with back- or front-vowel words. The suffix for "into" is *ba* or *be;* for "to," *hoz, hez,* or *höz;* thus, *ablakba* "into the window"; *kertbe,* "into the garden"; *ablakhoz,* "to the window"; *kerthez,* "to the garden"; and *erdőhöz,* "to the woods."

Grammar. Hungarian has no case system, no gender, and no distinct class of modal auxiliaries. Grammatical relationships are expressed by a large and complicated set of agglutinative suf-

fixes and by postpositions (*ablaktól*, "from the window"; *ablakon*, "on the window"; *ablak alatt*, "under the window"; *ablak mellett*, "beside the window"). It has a consonantal plural system (-k; *ablakok*, "windows"), but after numerals the plural is not indicated (*három ablak*, "three windows"). The personal possessive is expressed by a set of suffixes that precede all other suffixes (the *m* in *ablakomba*, "into my window"), except that in the plural possessive the suffix of plurality precedes that of possession (the *i* in *ablakaimba*, "into my windows"). The adjectives are invariable if used attributively before a noun (*jó ember*, "good man"; *jó emberek*, "good people"), but take the noun suffixes if used as nouns or predicate adjectives *jók*, "the good ones" (*az emberek jók*, "people are good"). The comparative is formed with the suffix *-bb* (*jó*, "good"; *jobb*, "better"), the superlative by prefixing the comparative with leg- (*legjobb*, "best"). Hungarian has definite articles (*a* and *az*) and the indefinite article (egy), and definite and indefinite conjugations with separate conjugational patterns for each: for example, *ír-om* (*a levelet*), "I am writing (the letter)"; *ír-ok* (*egy levelet*), "I am writing (a letter)."

Four simple tenses (present, past, present conditional, and present imperative) and two compound tenses (future and past conditional) are used. Each simple verb form consists of the verb root, followed by the tense sign, then the personal ending, usually preceded by a linking vowel (*ír-t-a-m*, "I wrote"; *ír-n-é-k*, "I would write"). The personal ending expresses number and the person of the agent (*ír-ok*, "I am writing"; *ír-unk*, "we are writing"). One ending (*-lak* or *-lek*) expresses both subject (first person singular) and object (second person singular or plural) in one word: for example, in *szeretlek*, "I love you," *lek* is both "I" and either the singular or plural "you." Various types of conjugations of verbs may be formed with suffixation (potential: *ír-hat-ok*, "I may write"; causative: *ír-at-ok*, "I cause [something] to be written").

Word formation is free and extensive. Almost any part of speech may be formed from any other. Clause structure is similar to that of the Indo-European languages. The predicate is the main element of the sentence. Coordination and subordination are effected by means of conjunctions. See also FINNO-UGRIAN LANGUAGES.

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HUNGER is a normal condition that occurs when the stomach is emptied of food. It is usually accompanied by a craving for food and sensations known as "hunger pangs." The craving and pangs are alleviated when the individual eats.

When food is in the stomach, the walls of the stomach contract rhythmically to break up the food and mix it with the gastric juice secreted by cells lining the stomach wall. These waves of contractions also propel the food mass into the small intestine. Usually about 3 hours after eating, the stomach empties and the contractions become stronger. Often, several waves fuse, causing hunger pangs that may last from 2 to 5 minutes; the pangs may recur every 10 or 15 minutes. If the individual does not eat, the pangs become more painful, but after 3 or 4 days without food they gradually weaken. Generally, hunger pangs are most intense in healthy young people with a high degree of stomach muscle tone.

Another factor influencing hunger pangs is the level of sugar in the blood. When the blood sugar level is low, as normally occurs several hours after eating, the hunger pangs are more intense. A person with severe hunger pangs may therefore eat a piece of hard candy or drink a sweet beverage to reduce the intensity of the pangs if he cannot eat a meal right away.

REAUMUR S. DONNALLY, M.D.
Washington (D. C.) Hospital Center

HUNGRY HORSE DAM, one of the highest and largest concrete arch dams in the United States, is a key unit in the Columbia River basin development. Located on the south fork of the Flathead River near Glacier National Park in northwestern Montana, the dam is 564 feet (172 meters) high and has a crest length of 2,115 feet (645 meters).

The structure is a multipurpose dam that provides flood control and irrigation, improves river navigation, and 300,000 kilowatts of hydroelectric power. Water impounded by the dam backs up 34 miles (55 km) to create a reservoir with a capacity of nearly 3.5 million acre-feet. Water released by the dam is used for reclaiming 60,000 acres of arid lands in Montana. The dam was completed in 1953 after five years of work.

WILLIAM H. O.
"Engineering Construction"

HUNKERS, the conservative wing of the Democratic party in New York state during the 1840's. They were so named by their antagonists because they were said to "hanker," "hunger," for "hunker" for office. Led by William L. Marcy and Daniel S. Dickinson, the Hunkers favored state-supported internal improvements—especially extension of the canal system—and liberal chartering of state banks. They opposed anti-slavery agitation.

Their chief opponents were the Barnburners (q.v.), Martin Van Buren's radical reform faction of the party. In 1845 the two factions ran separate candidates for the state legislature in many districts. When, in 1847, the Hunkers defeated a resolution against extension of slavery to free territory, the Barnburners left the party to unite with the Free Soilers, thus costing the Democrats the presidential election of 1848. In the 1850's the New York Democratic party split into two new factions, "softs" and "hards," making the term "Hunker" obsolete.

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years (ending about 454 A. D.) p
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The early history of the Huns
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account of his journey thro
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ortunate. When they invade
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former ally, and in 452 th
in which they destroyed
near Lake Garda.

Decline. The Hunnic empire
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were found in the impe
people they were gradually
tribes of the steppes a
history, leaving only a te
structiveness behind them

PHILIP GRIERSON, *Universi*

Further Reading: Gordon, Colin (Ann Arbor, Mich., 1960); *History of Attila and the Hun*