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Record Group/Collection: George H.W. Bush Presidential Records
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Series: Speech File Backup Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13725
Folder ID Number: 13725-002

Folder Title:
Captive Nations Week 7/23/90 [OA 8314]

Stack:	Row:	Section:	Shelf:	Position:
G	26	20	6	6

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Report	Re: Eastern Europe. (17 pp.)	04/90	(b)(1)	C
02. Report	Re: Eastern Europe. (25 pp.)	07/17/90	(b)(1)	S

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Speechwriting, White House Office of
Series: Speech File, Backup
Subseries:
WHORM Cat.:
File Location: Captive Nations Week 7/23/90

Pinksheet Number: RML1586
OA/ID Number: 13725-002
Date Closed: 10/20/2004
FOIA/Sys Case #: S
Re-review Case #: 2004-2265-S
P-2/P-5 Review Case #:

FACT CHECKING

(Hinchliffe/Garmey)
July 23, 1990 8:00 p.m.
NATIONS

Arch Burns
NSC

X6849

PRESIDENTIAL REMARKS: CAPTIVE NATIONS DAY

Rose Garden
July 25, 1990

Welcome to every one of you able to be here for this extraordinary event. \\ For the last 32 years, presidents from Eisenhower to Reagan have commemorated Captive Nations Day. It has been a ceremony to bear witness to the struggling and suffering of millions. A ceremony to honor courage. A ceremony to tell everyone still in bondage that they were not forgotten. These previous Captive Nations Days have not been moments of joy, but of serious rededication -- and of sadness that so many in our world lived in the throes of tyranny. \\

Steve
Burns
NSC
X3684

Charles
Bacause

The Revolution of '89 was a stunning -- thrilling -- event. At this ceremony last year, we told the world that we would keep faith with those who were oppressed. And we did. Then, taking their lives into their own hands, the very people who were in our hearts crafted an unforgettable year of triumph. The triumph of brave hearts over cruel stone. The triumph of people declaring they would control their own destinies. \\

Last summer, while we were in Eastern Europe, Barbara and I sensed excitement in the air. In meetings with leaders of Poland and Hungary, I urged change -- as have American Presidents for two generations. Like most Americans, we had watched in joy as the Austrian-Hungarian border had come down. And we were deeply moved as this historic vision swept across a continent that will some day be a Europe whole and free.

For four long decades, America and her allies have remained

others

united and strong in our mission for peace and freedom. That strength has at long last borne fruit. What an amazing year this has been. A year of technicolor glory in lands that had been defined by black watchtowers and walls, and the drab emptiness of lost dreams.

But we are gathered here today not just to celebrate the joyous change of this past year, but to celebrate it in a very special way. With us today are children from Hungary, Poland, Czechoslovakia and other countries which were a part of the Revolution of '89. Their eager eyes and bright smiles tell us: "We believe in ourselves and in our homelands. We can now dare to dream for the rainbows just beyond our bright new horizons." \\

children
Children
Because
Public
Liason

And so, to honor that shining faith in the future, on behalf of the peoples of the free world, I dedicate this day to the new Children of Freedom. \\

convey.

These little ones are the future generation of the newly freed lands that were, only a year ago, still held in regimented gray captivity. We celebrate that they are now free to paint the futures of their countries in the broad, colorful strokes of childhood's limitless imagination. X

In America, if a child is afraid of the dark, he can be comforted by a simple nightlight. But the Children of Captivity lived in fear day and night. Now a bold and brilliant light has been turned on, to chase away the nightmares of the unknown. \\

For some children, this light of freedom means actual deliverance from death. Those like tiny Joshua Laine. For seven months, this abandoned Romanian baby, like 40,000 others, had

Washington Post
7/1/89
up
40

lain in one of Ceausescu's unthinkable warehouse orphanages. Sunk in a hole in his mattress, his physical world was as limited and hopeless as his future. When change and reform came to Romania, an American couple was allowed to adopt him. Now Joshua has love ... freedom ... a future.

For other children, this new freedom means a whole new world in their own backyard. On that unforgettable morning when the East German borders fell, parents scooped up their children and brought them to the Brandenburg Gate, the final symbol of tyranny in Berlin. Still in their nightclothes, these children on their first day of new freedom, were passed up from friendly hand to friendly hand to have the thrill of sitting on top of the wall -- looking across at the endless horizons of their new world. \\\

But while we celebrate for the children who are now free, we must also still remember the children who are not. \\\

I continue to be moved by what I see and hear throughout the rest of the world, where unfinished revolutions continue one individual story at a time. In the Americas, where a boy with nothing but a board and a sail windsurfed to escape from the politics of repression. In Asia, where iron tanks were met by the iron will of a lone man. In Africa, where a proud leader ended 10,000 days of prison and took the final steps on his walk to freedom. \\\

Alongside the success stories of nations, we also hear quiet stories of individuals who, even in darkness, could see the vision of liberty. Those who have risked everything in countries not yet free. The countries we must still remember today. The

Sparks Illustrated
4/23/90
Don McGraw

desperate people we must never forget. \\

Boys like Quang Trinh. A young Vietnamese teenager, he almost died escaping from the shattered life of a country where he had seen his mother killed, his father jailed, his brothers' spirits broken. Quang fled the only life he had known ... for freedom. He jumped into shark-infested waters ... for freedom. He starved in delirium ... for freedom. After he was finally rescued and told he could enter the U.S., he wept all night long. *Reli*

When did something touch our lives so completely that we cried for joy through the night? Quang calls America "freedom country." How many of us have stopped to think of our homeland in those terms? \\\

You know, on my desk in the Oval Office I have two mementos with me at all times. One is a tiny American flag, given to me *small.* in an Army hospital by a soldier wounded fighting to free our friends in Panama. It represents America's commitment to freedom and to proud people, wherever they may be, who seek that freedom.

The other souvenir is a piece of the Berlin Wall -- one of *Steen* *Berke* the very first chiseled from that horrifying affront to humanity. I keep it always, as a reminder of the miracle which courage, strength and unity can achieve. \\\

Sitting in this peaceful Rose Garden today are children from these nations of miracles -- our Children of Freedom. \\\

But there are also some empty chairs out there. They, too, are reminders. Reminders of countries where children are even now growing up with only bleak tyranny in their futures.

Let us all work together so that next year those empty

chairs will be filled with children whose countries are finally free. \\\

I'm a traditionalist. But this ceremony is one tradition I'd like to break. Let us pray together that when we gather again, the light of liberty will shine across our entire planet. And that the next Captive Nations Day will be the last. \\\

God bless you, and all the children of our world.

REQUEST FOR APPOINTMENTS

To: Officer in charge
WAVES Center
Rm. 055, OEOB

Please admit the following appointments on July 25 1990
for The President of _____

NAME	DATE OF BIRTH	SOCIAL SEC. NO.
------	---------------	-----------------

Senator Kasten		
Senator Riegle		
Senator Spector		
Senator Lieberman		
Senator Wilson		
Senator Dole (tentative)		

Congressman William Brockfield		
Congressman Don Ritter		
Congressman Tommy Robinson		
Congressman John Porter		
Congressman Gerald Solomon		
Congressman Dana Rohrabacher		
Congressman Bob Dornan		
Congressman Ben Gilman		
Congressman Dennis Hartel		
~~Congressman [unclear]~~		
Congressman Mike Billirakis (tentative)		
~~Congressman [unclear]~~		

*Beth,
This is up to
date ack.'s for
CAPNAT if you
would like to refer
individually.
-red.*

MEETING LOCATION

Building White House

Room No. Rose Garden

Time on Mtg. 1:30

Additions and/or changes made by telephone should be limited to five names of less.

WAVES Ch. 510/0505 - 305-4044 or WHITE HOUSE - 455-6742

UNITED STATES SERVICE

Requested by Becky Anderson

Room News 2nd Flr 3230

Date of Request 7/24/90

***** 03871 ***** PRINTOUT COMPLETED ***** JULY 17, 4:00 P.M. *****
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PRINT CASE REQUESTED: JULY 19, 1990
2 DOCUMENTS PRINTED
9 PRINTED PAGES

10067P

SEND TO: DOOLY, PEGGY
EXECUTIVE OFFICE OF THE PRESIDENT
OLD EXECUTIVE OFFICE BUILDING
17TH & PENNSYLVANIA AVE., NW
WASHINGTON DISTRICT OF COLUMBIA 20017

*****00758*****

LEXIS[®] NEXIS[®] LEXIS[®] NEXIS[®]

DATE: JULY 19, 1990

CLIENT:

LIBRARY: NEXIS

FILE: PAPERS,MAGS

YOUR SEARCH REQUEST IS:

R*MANIAN W/3 BABY AND ADOPT AND DATE IS 7/90

NUMBER OF STORIES FOUND WITH YOUR REQUEST THROUGH:

LEVEL 1... 2

1ST STORY of Level 1 printed in FULL format.

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July 15, 1990, Sunday, Final Edition

SECTION: METRO; PAGE D1

LENGTH: 880 words

HEADLINE: Fairfax Woman Rescues Orphan From Romania;
Baby Among Last Allowed to Leave Country

SERIES: Occasional

BYLINE: Mary Jordan, Washington Post Staff Writer

BODY:

The baby was lying in a white iron crib when she found him, his brown eyes vacant and his body limp.

Donna Laine, a Northern Virginia resident, was in an orphanage in the Transylvanian city of Cluj recently when she spotted Joshua, one of the thousands of abandoned babies in Romania that she had traveled so far to find.

"He was so quiet, he never made a sound. I thought he might not be able to speak or hear," Laine recalled last week in an interview in her Fairfax County home.

"Then I picked him up, and his legs went limp."

For seven months, since the day he had been taken to the orphanage in northwestern Romania, Joshua had lain in a sunken mattress, flat on his back. Stuck in the dip of the mattress, he barely moved. Not as thin as the tiny girl who was fed nothing but tea before she was deserted, nor visibly ill like others, Joshua wore a white cloth bracelet, his name stitched on it.

For Donna Laine and her husband Jeffrey, the tragedy of Romania's mass orphanages fulfilled a dream: the chance to start a family.

Their six-week effort to adopt a child ended successfully June 27 when she and her new son arrived at Dulles International Airport.

Worldwide interest has focused recently on Romania's sick and discarded children, but despite growing interest in the United States in adopting them, a new Romanian suspension on foreign adoptions has made Joshua one of the last babies allowed to leave the country.

After the December execution of dictator Nicolae Ceausescu, international relief organizations and foreign journalists glimpsed a hidden horror: up to 40,000 abandoned babies in state orphanages, many of them dying of AIDS.

"The crazy Ceausescu cut off subsidies to the hospitals," leaving them ill-equipped to safely perform the blood transfusions that were performed on premature and malnourished babies, said Cornel Dragomirescu, press officer at the Romanian Embassy in Washington.

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Ceausescu had sought to increase Romania's population by forcing families to produce babies. He outlawed abortion and contraceptive devices, prompting thousands of women to abandon children they could not provide for or did not want.

"There were too many children who needed love and attention and so few to give it," Laine wrote in her journal after her day at the Cluj orphanage, where Joshua lay.

Since Romania suspended foreign adoptions on June 11, apparently because the parliament is considering new regulations governing them, the State Department has advised Americans not to go to Romania to find a baby.

"They have closed off adoption," said Mary Beth Seader, vice president of the National Committee For Adoption, a private, nonprofit group. "I keep hearing of people going over there and spending thousands of dollars and coming home empty-handed."

Laine, who met mothers from England, Austria and other countries hoping to adopt when she was in Romania, had started her procedures before the cutoff date.

With 2 million American couples seeking to adopt and only 25,000 children available each year, foreign adoptions have become increasingly popular, Seader said.

After news reports of the abandoned and ill Romanian babies, the State Department received hundreds of inquiries about how to adopt them and is still fielding calls, department spokesman Charles S. Smith said. He estimated that 30 American couples have successfully adopted Romanian babies this year.

Even though Laine was accompanied by her mother, who was born in Romania and speaks the language fluently, she said it was one of the most difficult tasks of her life. She visited one orphanage after another, in one gray, smoggy city after another.

Most times, she said, she was denied entrance into the orphanages and told to wait in small, detached buildings. And every time, after she initially asked if there were any adoptable babies, she was told, "No."

Only after persistence was she shown into the rooms with the white, iron cribs.

"I think they didn't even regard the kids who were handicapped or sick as adoptable. They didn't think anybody would want them," Laine said, with Joshua, smelling of baby powder, bouncing on her lap.

"You wouldn't believe the difference," the former respiratory therapist said, turning her focus to her son. "He was lifeless when I saw him. He had no stimulation. He didn't respond to anything; I didn't even know if he could hear." As she said this, the 8-month-old shouted, "Oh," and flailed his arms and smiled.

Laine, 39, said she and her husband had wanted a child for 10 years and had been unsuccessful in exhaustive efforts to adopt a baby domestically.

(c) 1990 The Washington Post, July 15, 1990

This spring they were again disappointed when a 17-year-old girl apparently changed her mind about giving her child up for adoption.

"I didn't know I'd come home with any baby when I left," Laine said. "I just felt I had to try. For 10 years we've been wanting children. I had to try. I wouldn't have been at peace if I hadn't."

Jeffrey Laine, a civilian analyst at the Pentagon, said he knew that if anyone could bring a child out of the bureaucratic chaos of Romania, it would be his wife.

He added, "I can't help but look in [Joshua's] face and see what he can be here, the chances he will have that he couldn't have had if she hadn't found him."

TYPE:

VIRGINIA NEWS

SUBJECT:

FAIRFAX COUNTY; ADOPTION; ROMANIA; CHILDREN (AGE 0-12); BABIES (AGE 0-2)

NAMED-PERSONS:

JEFFREY LAINE; DONNA LAINE

DATE: JULY 19, 1990

CLIENT:

LIBRARY: NEXIS

FILE: PAPERS,MAGS

YOUR SEARCH REQUEST IS:

CUBA* AND WINDSURF AND FLORIDA

NUMBER OF STORIES FOUND WITH YOUR REQUEST THROUGH:

LEVEL 1... 2

1ST STORY of Level 1 printed in FULL format.

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Sports Illustrated

April 23, 1990

SECTION: Pg. 68

LENGTH: 1640 words

HEADLINE: A NEW DAWN;

Lester Moreno Perez fled Cuba by boardsailing toward Florida under cover of darkness

BYLINE: BY SAM MOSES

BODY:

IN THE ANNALS OF GREAT ESCAPES, the flight by 17-year-old Lester Moreno Perez from Cuba to the U.S. surely must rank as one of the most imaginative. At 8:30 on the night of Thursday, March 1, Lester crept along the beach in Varadero, a resort town on the north coast of Cuba, and launched his sailboard into the shark-haunted waters of the Straits of Florida. Guided first by the stars and then by the hazy glow from concentrations of electric lights in towns beyond the horizon, Lester sailed with 20-knot winds, heading for the Florida Keys, 90 miles away.

Two hours past daybreak on Friday, Lester was sighted by the Korean crew of the Tina D, a Bahamian-registered freighter. The boom on his craft was broken, and he was just barely making headway, 30 miles south of Key West. The astonished crew pulled Lester aboard, fed him spicy chicken and white rice, and then radioed the U.S. Coast Guard, which sent the patrol boat Fitkinak to take him into custody. After five days in the Krome Detention Center in Miami while paperwork was being processed, he was issued a visa by U.S. immigration officials and released into the welcoming arms of his relatives.

Except for his rich imagination and broad streak of courage, Lester could be any 17-year-old who decides to leave home. He was raised in the shoreside town of Varadero, the second-oldest of five children in his family. "As soon as I started thinking a little bit -- when I was seven or eight years old -- I wanted to come to America," he says. Independent thinking ran in the family; his grandfather, Urbino, had been imprisoned for attending a counterrevolutionary meeting early in Fidel Castro's regime and spent nearly five years in jail. Furthermore, Lester's sister Leslie, who had been on the national swim team and had traveled to several foreign countries, had told intriguing tales of life outside Cuba. Lester also did not like the idea of serving three years in the Cuban army and then facing the possibility of having his career chosen for him by the Communist Party. There was also trouble at home; he and his stepfather, Roberto, were at odds, mostly over politics. So Lester decided he wanted to go to America, not Angola.

When he was 10 years old, Lester taught himself to windsurf by hanging around the European and Canadian tourists who rented boards on the beach at Varadero. "If you made friends with them, they would sometimes let you use their equipment," he says. As he grew older and got better at the sport, he found he liked the isolation and freedom of the sea. "Sometimes I would sail for eight hours without stopping, and go very far out," he says. His windsurfing to

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freedom seemed destined.

Recently, Lester sat in a big easy-chair in the Hialeah, Fla., apartment of Ana and Isidro Perez, the great-aunt and great-uncle who took him in. Lester is so skinny -- 5 ft. 6 in., 130 pounds -- that it seems there is room for two or three more of him in the chair. On his head he wears Walkman earphones, which he politely removes when a visitor enters the room. He has been in America only a few weeks, but he has already been interviewed several times and has been chauffeured all over Miami in a limo on a radio station-sponsored shopping spree. The tops of his feet are still covered with scabs, the result of the hours he spent in the sailboard's footstraps; but his hands show no blisters, only hard, white calluses.

As he waits for a translator to arrive, Lester rocks back and forth in the chair like a hyperactive child. He clicks the television on with the remote control, passes a Spanish-language station and stops at a morning show on which a man is explaining, in English, how to prevent snoring by placing a Ping-Pong ball between your shoulder blades, a move that forces one to sleep facedown. When a visitor demonstrates this to Lester through gestures and snores, the young man rolls his dark eyes, smiles and says in perfect English, "People are all crazy here."

A few minutes later, the translator, who owns a windsurfing shop in Miami, arrives, and Lester begins to tell his story through him.

"I had only been thinking of making the trip on a sailboard for about a month," he says. "Before that, I'd been thinking of leaving the country by marrying a Canadian girl -- every couple of months a few would come that were pretty nice-looking. But I decided to sail because I was training hard and was confident I would be able to make the trip easily. I had windsurfed in bad weather, and even surfed during Hurricane Gilbert, so I was already out in really rough conditions and wasn't worried about it.

"Right before I left, I was watching the wind patterns. A cold front had passed by and it was pretty strong, so I waited until it subsided a little. Usually after a cold front passes, the wind shifts to the east, and it's just a straight reach to the U.S., so I waited for that. Then I told two of my friends, who said they would help me. I wasn't hungry, but I ate a lot -- three or four fried eggs, some rice and half a liter of milk -- so I would be strong for the journey." His friends also persuaded him to take along some water, a can of condensed milk and a knife.

At 7:00 on the evening of March 1, Lester, who had said nothing to his family, slipped out of his house and went down to the Varadero beach, where he worked at a windsurfing rental booth by day, while attending high school at night. Earlier that day, he had carefully rigged the best mast and strongest boom he could find with a big 5.0-square-meter sail. Then he had lashed the sail rig in the sand with the rental boards. Under cover of darkness, he unlocked the shed where the privately-owned boards were kept and removed his sleek and durable Alpha model. It had been a gift to him from a man who sympathized with his plight -- a generous East German whom Lester called Rambo for the camouflage hat he always wore. Lester fastened the sail rig to the board and carried it to the water. He waded into the ocean until he was knee-deep, glanced over his shoulder to make sure he hadn't been seen, and stepped onto the board. His ride on the wind to freedom had begun.

(c) 1990 Time Inc., Sports Illustrated, April 23, 1990

"I wasn't nervous," he says. "I had to be very clear-minded once I decided to go, otherwise they would catch me and I would be in a lot of trouble. It would have meant three or four years in prison if I had been caught. No lie about what I was doing was possible."

About one and a half blocks away from the beach was a tower usually manned by guards with infrared binoculars. Lester, who was sailing without lights, also had to keep an eye out for freighters and pleasure boats that would be cruising in the busy Straits of Florida.

"At first I wasn't able to get my feet in the footstraps," he says, "because there wasn't enough wind for my sail. But as I got farther out and was able to get fully powered up, I began feeling more confident. The swells were very steep, maybe four or five meters, and I was going so fast I had no choice but to jump them."

As he recalls the moment, Lester rises from his chair, plants his bare feet on the tile floor and extends his thin arms, grasping an imaginary boom. He begins in English, "Wind coming, coming, coming . . . out, out, out . . . is very strong." He's hanging in his invisible harness now, arms stretched wide, eyes lit up, flying over the waves. "Whoosh!" he cries. "Is good!"

For 10 hours he rode the wind, never once fearing failure, or drowning. He thought of his family and how worried they would be when they discovered he was missing. But he wasn't alone out there. "Ever since I left, I could see the sharks coming out and in, coming up on the board. I was hoping and thinking they were dolphins, but when the sun came up, I could see there was no way they were dolphins."

Around daybreak, the aluminum boom broke, separating the connection to the mast like pieces of a wishbone. He tried fixing the boom with his knife but couldn't, so he sailed on, clutching the pieces of the broken wishbone. This made control of the board extremely difficult, and he couldn't rest in the harness he had rigged. "My arms and hands were getting really tired, but by then I could already see the big kites of the fishermen, so I wasn't really worried. When I saw the freighter, I tried to point [into the wind] as much as I could and sail toward it."

A similar crossing was made in January 1984, by Arnaud de Rosnay, a Frenchman who boardsailed from Key West to Cuba as a personal challenge and a publicity stunt. De Rosnay, one of the best boardsailors in the world, had sailed in daylight with a chase boat. His trip included two stops for repairs and two stops to rest, and he completed the crossing in about seven hours. (In November of the same year, de Rosnay vanished while trying to cross the Straits of Formosa.) But only a month before Lester's odyssey, another young Cuban had perished attempting to reach the Keys in a raft.

Not surprisingly, Hollywood has come knocking on Lester's door. "The story is a natural," says Paul Madden, the president of Madden Movies. "It's Rocky and The Old Man and the Sea in one. If this picture is done right, by the end of it the audience will be standing up in the theater and cheering." Madden might not be one of those doing the cheering; he was outbid for the rights to Lester's story by Ron Howard's Imagine Films.

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PAGE

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Lester has handled the movie offers -- assumed to have reached six figures -- and the media blitz with uncommon courtesy and self-assurance. A new acquaintance has even invited him to spend the summer at Hood River, Ore., where he will be able to jump the formidable swells of the Columbia River. This sounds good to Lester. But right now, one of his teenage friends has invited him to go sailing off Miami Beach. That sounds like the most fun of all.

GRAPHIC: Picture 1, Before he was free to sail Miami's waters, Lester spent five days under detention. descolor: Lester Moreno Perez., RAUL DE MOLINA/SHOOTING STAR; Picture 2, So far, Lester, who is 17, likes what he has tasted of life in the U.S. descolor: Lester Moreno Perez., BRIAN SMITH; Picture 3, Lester -- with his new surfboard -- has been living at great-aunt Ana's house in Hialeah. descolor: Lester Moreno Perez, Ana Perez., BRIAN SMITH

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Captive Nations

U.P.

Secretary Deruniński

Deputy Sec. Eagleburger.

Becky Anderson -

ADA
is teleprompter
right?

REMARKS FOR CAPTIVE NATIONS WEEK: July 23-28, 1990

NSC Contact: Nick Burns, x6849
Steve Benko, x3684
Bob Hutchings

status: materials being sent

Presidential Remarks: Captive Nations Week

Report of July, 20, 1990

Beth,

I. Enclosed are the following materials:

1. James Baker: Speech in Prague: February 8, 1990
2. Declaration of the NATO Summit in London: July 6, 1990
3. Remarks by the President to the:
 - Chamber of Commerce: April 30, 1990
 - Oklahoma State Univ. Commencement: May 4, 1990
 - Univ. of South Carolina Commencement: May 12, 1990
4. Speech by Vaclav Havel: October 15, 1989.
5. Unclassified State Department materials on the three Baltic States, and eastern European nations.
6. Classified NSC materials on "Changes in Eastern Europe."

II. Steve Benko in NSC suggested that the "captive nations" be organized in the following categories:

SUCCESS STORIES: Czechoslovakia (President Havel)
Hungary (President Goncz)
Poland (Prime Minister Mazowiecki)

SOME PROBLEMS: East Germany (Prime Minister De Maziere)
Yugoslavia

BIG PROBLEMS: Bulgaria
Romania

Steve had the following suggestion: Begin the speech with praise for the success stories (this should be happy speech, he says) and then towards the end say something like, "But the struggle for Democracy is not over. We must continue..." and then refer to the problem countries. Finally, he pointed out that the President's piece of the Berlin Wall was given to him by Havel.

*Captive Nations
Proclamation*

Fast Sheet

FORMAT

(Hinchliffe/Garmey)
July 20, 1990 6:26 p.m.
NATIONS

PRESIDENTIAL REMARKS: CAPTIVE NATIONS DAY

Week?
?

Welcome to every one of you able to be here for this extraordinary day. We're celebrating the miracle of the past year, rejoicing at the dawn of new hope. Today is the first Captive Nations Day in 32 years when the atmosphere is joyous. \\ And it's special to be here in the Rose Garden -- where we can commemorate freedom with the pure beauty of the Peace Rose. ///

no roses in R.G.

Today, above all, we honor the little ones: the future generation of the newly freed lands that were, only a year ago, still held in regimented gray captivity. We celebrate that their futures are now bright and limitless. On behalf of all of us in the free world, I dedicate this day to the Children of Freedom.\\

With us today are some of these youngsters -- children of Hungary and Poland and Czechoslovakia and other countries which are still breathing deeply of the exhilarating air of emancipation. These children's eager eyes and bright smiles tell us: "We believe in ourselves and in our homelands. We can now dare to dream for the rainbows just beyond our bright new horizons."\\

What an amazing year this has been. A year of technicolor glory in lands that had been defined by black watchtowers, gray sameness and the drab emptiness of lost dreams. Now children are free to paint the futures of their countries in the broad, colorful strokes of childhood's limitless dreams and imaginations. ///

One of my grandchildren is afraid of the dark, of what may wait in the blackness. His fears can be allayed by a simple

nightlight. But when the little ones here were Children of Captivity, they lived in fear throughout the whole day -- because blackness was all they knew. Now a bold and brilliant light has been turned on, to chase away the nightmares of the unknown. \\

How powerful an image is light. The light of Lady Liberty -- the beacon of freedom for an entire world. The light of hope kept alive in captive hearts -- millions and millions of points of light that even decades of repression could not dim. \\

The Revolution of '89 was a stunning -- thrilling -- event. Even as we were at this ceremony last year -- telling the world we were keeping faith with those who were oppressed -- the very people who were in our hearts were taking their lives into their own hands and crafting an unforgettable year of triumph. The triumph of warm hearts over cold stone. The triumph of the toppling of walls -- both visible and invisible. The triumph of people declaring they would control their own destinies. \\

And what a legacy this has left for those who will be the future of our world.

Those like tiny Joshua Laine. For seven months, this abandoned Rumanian baby, like 40,000 others, had lain in one of Ceausescu's unthinkable warehouse orphanages. Sunk in a hole in his mattress, his physical world was as limited and hopeless as his future. When liberation and humanity came, a couple was allowed to adopt him. Now Joshua has love ...freedom ...a future.

Those like the children of East German Joachim Luchesi. Still in their nightclothes, they were passed up from friendly hand to friendly hand to have the celebratory thrill of sitting

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on top of the Brandenburg Gate ^{that} unbelievable, miraculous dawn when decades of borders and suspicion dissolved into dust. \\

When we were in Eastern Europe last year, Barbara and I tasted some of the heady euphoria of this birth of freedom. We were deeply moved as this historic vision swept across a continent that will some day be a Europe whole and free. \\

And I continue to be moved by what I see and hear throughout the rest of the world, where unfinished revolutions continue one individual story at a time. In the Americas, where a brave man in a bloody shirt triumphed over the lead-pipe politics of repression. In Asia, where iron tanks were met by the iron will of a lone student. In Africa, where a proud man ended 10,000 days of prison and began the final steps on his walk to freedom. ///

A few weeks ago I met with other NATO leaders in London. We rejoiced at the recent events: the start of what we call The Age of Freedom. But we also toiled long and hard to prepare for the future. Work has begun -- brilliantly, explosively -- but work must continue. For peace is more than just the absence of war. ///

Alongside the louder success stories of nations, we also hear quiet stories of individuals who, even in darkness, could see the vision of liberty. Those who have risked everything in countries not yet free. The countries we must still remember today. The desperate people we must still remember today.

We tell these tales of solitary heroism because we need to celebrate the deeper successes: those made not of gold and silk, but of better hearts and finer souls. \\

Stories of boys like Quang Trinh. A young Vietnamese teen-

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ager, he almost died escaping from the shattered life of a country where he had seen his mother killed, his father jailed, his brothers' spirits broken. Quang fled the only life he had known ...for freedom. He jumped into shark-infested waters...for freedom. He starved in delirium...for freedom. After he was finally rescued and told he could enter the U.S., he wept all night long.

When did something touch our lives so completely that we cried for joy throughout the night? We have grown used to our freedom. We wear it casually. But Quang's sense of wonder holds a mirror to us. He calls America "freedom country." How many of us have stopped to think of our homeland in those terms. \\\

You know, on my desk in the Oval Office I have two mementos with me at all times. One represents "old freedom": the legacy of a country whose entire history has been brave and proud and free. It's a tiny American flag, given to me in an Army hospital by a soldier wounded fighting to free our friends in Panama.

The other souvenir represents the "new freedom." It's a piece of the Berlin Wall, one of the very first chiseled from that horrifying affront to humanity. I keep it in front of me always, as a reminder of the miracle which unified hearts can achieve.

So as old and new come together into a single vision, we celebrate for ourselves and for the Children of Freedom. But we also remember the Children of Captivity. Here today sit children who are joyous reminders of nations which have found freedom. But there are also some empty chairs ... reminders of countries where childhood is still locked behind barriers of despair.

Let us all work together so that next year those empty

chairs will be filled with children whose countries are finally free. Let us pray together that when we gather again, the pure light of liberty will shine in an unbroken glow across our entire planet. And that the next Captive Nations Day will be the last.\\

As inspiration, we recall the proud words of the Polish National Anthem: "Poland has not perished, as long as we live." r

\\ Together, let all the peoples of the world join hands and pledge: "Freedom has not perished, as long as we live."

God bless you, and all the children of our world.

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THE WHITE HOUSE

Office of the Press Secretary
London, England

For Immediate Release

July 8, 1990

FACT SHEET

Checklist of Key Initiatives in the
London Declaration

The London Declaration includes nineteen initiatives to set a new course for the North Atlantic Alliance and help shape the new Europe. They fall into four broad categories, as follows:

1. Reaching out to old adversaries

- pledge "never in any circumstance" to be "the first to use force."
- propose a joint declaration of NATO and Warsaw Pact member states making a commitment to non-aggression, open to other CSCE states.
- invite Gorbachev and other Eastern leaders to address the North Atlantic Council.
- invite Warsaw Pact member governments to establish regular diplomatic liaison with NATO.
- intensify military-to-military contacts, including visits by NATO military commanders to Eastern capitals.

2. Change character of conventional defense

- keep CFE in session until treaty is done.
- pledge that follow-on talks will include measures to limit military manpower in Europe and, with this goal in mind, a commitment will be made at time of CFE signing concerning the manpower levels of forces of a united Germany.
- look beyond CFE to a new conventional arms control negotiations which will seek "further far-reaching measures in the 1990s to limit the offensive capability of conventional armed forces in Europe, so as to prevent any nation from maintaining disproportionate military power on the continent."

- move away from 'forward defense' and field smaller and restructured active forces that are more flexible, scaling back readiness of active units, reducing number of exercises and relying more heavily on the ability to build up larger forces if and when they might be needed.
 - rely increasingly on multinational corps made up of national units.
3. Adopt a new NATO nuclear strategy
- Adopt a new nuclear strategy
 - propose to eliminate all NATO nuclear artillery shells from Europe, once SNF negotiations begin, if the Soviet Union will reciprocate.
 - modify 'flexible response' to reduce reliance on nuclear weapons and adopt a new strategy making nuclear forces truly weapons of last resort.
4. Help build a Europe whole and free through strengthening the CSCE
- agree that CSCE Summit should endorse new standards for free societies on free elections, the rule of law, economic cooperation, and environmental protection.
 - set up regular consultations at ministerial or head of government level at least once each year.
 - schedule major review conferences at least once every two years.
 - establish a secretariat to coordinate the meetings and conferences.
 - set up a mechanism to monitor elections.
 - create a center for the prevention of conflict.
 - form a CSCE parliament, the Assembly of Europe.

(S) THE BALTIC STATES: LITHUANIA, LATVIA, AND ESTONIA

I. U.S. NONRECOGNITION POLICY

- o The U.S. remains firmly committed to the nonrecognition of the forcible incorporation of the Baltic States into the Soviet Union.
- o We regard the status of the Baltic States' inclusion into the USSR as significantly different from other Soviet republics.

II. U.S. POSITION ON INDEPENDENCE

- o President Bush said on April 24 that the hallmark of our policy is that the American people feel that the independence and self-determination of Lithuania is fundamentally right.
- o We continue to encourage the concerned parties to start a meaningful dialogue. We wish to discourage hardening of positions or actions leading to further violence.
- o In addition our position must address our interests in a freer and less militarily threatening Soviet Union.

III. CSCE PARTICIPATION

- o The U.S. would welcome the participation of the Baltic States in the CSCE process at an appropriate time and supports their efforts to have a hearing at this session.

IV. PRESENT SITUATION

- o With some nuances, all three Baltic States have now declared their commitment to the process leading to independence. Gorbachev has reacted strongly against all three states, although only Lithuania so far has been blockaded economically.
- o The Lithuanians have agreed to a "moratorium" in exchange for negotiations with Moscow. This does not mean acceptance of Soviet sovereignty. Talks may start in September, according to Lithuanian reports.

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BULGARIA

- o The Bulgarian elections resulted in a slim majority for the Bulgarian Socialist (formerly Communist) Party (BSP). Although the election period was marred by serious inequities in the allocation of resources and widespread intimidation by local officials, all the parties have agreed to accept the election results.
 - The BSP holds 211 of the 400 seats in the National Assembly; the Union of Democratic Forces (UDF), 144; the Rights and Freedoms Movement (which represents primarily the Muslim minority), 23; and the Agrarian Party (BANU), 16.
- o The BSP has said it does not want to form a one-party government. The UDF and the Rights and Freedoms Movement have stated they will not form a coalition with the BSP. BANU has said it will not form a coalition with the BSP alone.
 - Both the UDF and the BSP have floated the idea of a "non-partisan government of experts" to tackle the challenge of economic and political reform. The UDF has now rejected that idea, at least for the present, and vows to remain a "constructive opposition." Their ambitious legislative program includes plans to submit draft laws on economic reform, local elections, the militia and access to media. After these laws are passed, and after the local elections, they would again consider the concept of "a government of experts."
- o Although there were initial protests in Sofia and other major cities (where the opposition party had done much better than it did in the countryside) after the elections, the situation now is calm and orderly. A number of peaceful demonstrations continue around the country.
- o President Mladenov resigned on July 6 in response to public protest over a remark he made in December, suggesting that tanks be brought in to quell a large anti-government demonstration. A new president will be chosen by a two-thirds vote of the National Assembly.

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Czechoslovakia Update

- o The Civic Forum/Public Against Violence coalition, led by President Vaclav Havel, won a resounding victory in this month's parliamentary election.
 - The parliament will name a new government later this month. We expect that this government will continue the positive trends of democratic pluralism and economic restructuring.
 - Constitutional and legal changes enshrining democratic, liberal ideals will continue to be enacted.
 - The new government is also expected to introduce further reform measures intended to strengthen market mechanisms and accelerate Czechoslovakia's economic integration into the West.
- o The democratic leadership of Czechoslovakia still faces significant challenges.
 - The Czechoslovak environment was badly damaged under 40 years of Communist rule. The cleanup process will be slow and expensive.
 - The Czechoslovak economy, while not overburdened with debt or suffering serious consumer shortages, still suffers from structural distortions that must be addressed by reform legislation.
 - Czechs and Slovaks will use the process of constitutional reform to address local and ethnic desires for flexible governing and power sharing.
- o The Czechoslovak leadership has told the West that the Czechoslovaks do not need outright aid, but rather, integration into Western trade and financial systems.
- o U.S. policy toward Czechoslovakia seeks to build an economic partnership through liberalized trade relations; to strengthen cultural and academic ties through establishment of new cultural centers and a new consulate in Bratislava; and to work with Czechoslovakia's new leaders to ensure that the country serves as a model for reform in East-Central Europe.

ECONOMIC FACT SHEET - CZECHOSLOVAKIA

	1986	1987	1988	1989*
<u>Socioeconomic Indicators</u>				
Population (million at midyear)				
		15.5	15.6	15.6
			15.6	15.6
<u>Economic Indicators</u>				
Estimated Real GNP (B. 1988 USD)		154.5	156.0	158.2
Real GNP Growth (%)		2.1	1.0	1.4
Real GNP Per Capita Growth (%)		1.3	0.3	0.7
Consumer Price Index** (1980=100)		109	110	111
				112
<u>International Transactions</u> (in Millions of US \$)				
Total Exports	21,391	24,536	26,507	NA
Exports to USSR	9,414	10,912	11,794	NA
Total Imports	22,066	24,407	26,144	NA
Imports from USSR		10,098	10,706	10,731
				NA
Hard Currency Exports		4,585	4,761	5,336
Hard Currency Imports		4,287	4,904	5,458
Hard Currency Balance of Trade***		297	-144	-120
				210
<u>External Finance</u>				
Gross External Debt (Billion US\$)		4.5	5.8	6.1*
Gross Debt/GNP (%)		2.9	3.7	3.9*
				3.8
Debt-Service Ratio (%)		16	15	16
Average Foreign Exchange Rate (C/\$)		5.95	5.48	5.22
				13.84****

*preliminary estimates

**the official index of personal consumption in current prices was deflated by a calculated index of personal consumption in constant prices.

***Data derived from PlanEcon. Non-socialist trade presumed to be hard currency trade.

****January 8, 1990 Czechoslovakia devalued its currency to match the black market rate of 38 crowns/dollar for tourists and 17 crowns/dollar for business transactions with Western companies.

Source: CIA unclassified documents except where indicated.

	1986	1987	1988	1989*
Growth in Gross Investment	1.4	4.4	3.1	3.0
Growth in GNP	2.1	1.0	1.4	0.5
Average Annual Growth of Gross Industrial Output: (percent)				
All Industry	3.2	2.5	2.1	1.1
Electricity Generation	4.9	2.5	1.6	2.5
Chemicals & Oil Refining	4.0	3.2	2.1	0.1
Machine Building	4.9	4.0	2.9	0.6
Glass & China	1.8	1.7	6.1	5.9
Textiles	2.5	1.6	2.4	1.7
Apparel	1.9	1.6	2.3	5.6
Investment in Fixed Capital (percent shares)				
Industry (total)	38.51	40.81	42.12	43.92
Machine Building	6.28	7.82	7.67	7.69
Electrical engineering, electronics, metal products	3.20	3.48	3.60	3.66
Agriculture	14.66	13.79	13.33	13.00
Construction & related activity	5.24	5.02	4.68	4.41
Transport (total)	10.57	9.78	9.35	9.05
(Billion, current crowns)				
Disposable Income	367.8	379.7	396.3	405.0
Total Personal Consumption	349.5	379.7	396.3	405.0
Total Savings	18.3	19.4	17.3	14.0
Change in Income	11.6	11.9	16.6	8.7
Change in Consumption	8.3	10.8	18.7	12.0
Change in Savings	3.3	1.1	-2.1	-3.3

(a) All data on page 2 derived from PlanEcon sources.

* Preliminary Estimate

GERMAN DEMOCRATIC REPUBLIC

The GDR has undergone dramatic political and economic reform since Autumn 1989, culminating in its first democratic elections on March 18. GDR supporters of FRG Chancellor Kohl's plan for speedy unification, the Alliance for Germany (GDR Christian Democratic Party, Democratic Awakening and German Social Union), won a surprising victory with 47% of the vote. The GDR Social Democratic Party received 23% and the Party of Democratic Socialism (former Communists) won 17%. All other parties won 5% or less of the vote. The Alliance, the SPD and the Liberal parties have joined in a grand governing coalition led by Prime Minister Lothar de Maiziere, a Christian Democrat.

Local elections for thousands of local officials were held on May 6, and the Alliance retained a strong, although reduced, plurality. It is anticipated that the GDR will reconstitute the Laender (states) later this summer, with subsequent elections for Laender officials on October 14.

Unification of the two Germanys has proceeded at a rapid pace. On July 1, the GDR and FRG entered into a monetary and social union, in which the GDR adopted the FRG economic system. A second state treaty on unification is currently under discussion.

The decisive element which pushed the GDR to reform was the massive emigration from the GDR to the FRG. Some 350,000 East Germans left the GDR in 1989, and approximately 150,000 more came to the FRG in the first half of 1990. Emigration declined substantially in the wake of the election and the prospects of speedy unification.

The Two-plus-Four (FRG, GDR, US, UK, France, USSR) have begun discussions on the termination of Four Power rights and responsibilities with regard to Germany. The first ministerial meeting was held in Bonn on May 5, the second ministerial took place in Berlin on June 27, and the third was held in Paris on July 17. The four agenda items agreed upon are: 1) borders, 2) Berlin, 3) political-military issues, and 4) preparation of a final settlement and termination of Four Power rights and responsibilities. Poland was a participant in the Two-plus-Four talks when its borders were discussed by the Two-plus-Four Foreign Ministers in Paris in July. Krzysztof Skubiszewski, the Polish Foreign Minister, declared that Poland was satisfied with the outcome of that meeting. The Ministers will meet again in Moscow on September 12.

The U.S. goal in the Two-plus-Four talks is to terminate and transfer all Four Power rights to a fully sovereign Germany. As Secretary Baker said at the May 5 Two-plus-Four meeting, "the primary purpose of this Two-plus-Four process is to facilitate the unity of the two Germanys as the German people decide their future on the basis of free and democratic self-determination."

The United States opposes any efforts to single out Germany through imposition of limitations on German sovereignty. We also view Two-plus-Four as a "steering group," directing to appropriate fora those external issues related to German unification that can best be decided elsewhere, such as CFE, CSBM or CSCE.

Security issues concerning a unified Germany are of major importance. The U.S. position, supported by the FRG, the other Allies, neutrals, and some members of the Warsaw Pact, is that a unified Germany must be a member of NATO. On July 16, the Soviet Union declared that the united Germany will have the right to choose to belong to whichever military alliance it wishes. The new GDR government also supports a united Germany's membership in NATO.

Four-Power rights will be terminated some time in the fall, all-German elections are scheduled for December 2, and the new government of a united Germany is expected to take office after the first of the year. The new, united and sovereign Germany is expected to conclude a border treaty with Poland shortly after unification.

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HUNGARY: POLITICAL FACT SHEET

- o Hungary became a western-style parliamentary democracy after successfully holding two rounds of parliamentary elections March 25 and April 8.
 - The Hungarian Democratic Forum (MDF) won a plurality in both rounds, gaining the largest number of seats (165) in the 394-member Parliament.
- o Prime Minister Jozsef Antall of the MDF formed a governing coalition on May 23 with the Independent Smallholders and the Christian Democratic People's Party.
 - The coalition controls 60 percent of the seats in Parliament.
- o Parliament elected opposition Free Democrat Arpad Goncz as Acting President on May 2.
 - A referendum on July 29 will determine whether the President should be elected by direct popular vote or by Parliament.
- o The Free Democrats (92 seats) and the Hungarian Socialist (reform Communist) Party (33 seats) form part of the opposition. The hard line communist party (Hungarian Socialist Workers Party) failed to reach the 4 percent threshold for inclusion in Parliament.
 - Chairmanships in Parliament's 15 committees are distributed according to party representation.
- o Local elections, which will further cement Hungary's transition to democracy, will be held September 30.
- o Hungary is transforming its foreign policy to a more western orientation.
 - Hungary is spearheading efforts to restructure the Warsaw Treaty Organization (WTO). It will no longer participate in WTO military maneuvers and seeks the earliest possible negotiated withdrawal from the organization.
 - Hungary has applied for membership in the Council of Europe and has a trade and cooperation agreement with the European Community, in which it also seeks full membership.

FACT SHEET: HUNGARIAN ECONOMIC REFORM

- o Hungary began its economic reform process in 1968 with "the New Economic Mechanism", which began the process of economic decentralization and introduced changes in the agrarian sector.
- o Since 1987, the GOH has made great progress in reforming the tax and banking systems and in reducing price and import controls. Currently, less than 23% of prices are government controlled.
 - In 1989, Hungary became the first East European nation to re-open its stock exchange.
- o The Hungarian economy deteriorated in 1989 partly due to a lack of fiscal control. The economy is plagued by a massive foreign debt burden (\$20.7 billion), the highest per capita in Eastern Europe.
 - The Antall Government has rejected debt rescheduling in favor of servicing current debt and has maintained Hungary's IMF stand-by arrangement.
- o Prior to 1990, successive IMF stand-by arrangements had not succeeded in getting the Hungarians to address several of their fundamental economic problems: subsidies, exchange rate policy, etc.
- o The GOH and IMF have agreed on a new policy which aims directly at these issues. Prime Minister Antall has stated publicly that his government will abide by the previous government's agreement with the IMF.
 - The GOH will launch bankruptcy proceedings against 34 companies which will be privatized or liquidated.
 - In late December, Parliament passed a crisis budget to slash the budget deficit from about \$800 million to \$160 million by cutting consumer and producer subsidies, trimming defense costs, raising rents and taxing liquor, cigarettes, and fuels. The Government has recently proposed new measures to hold down the budget deficit.

- o Hungary has permitted extensive private and cooperative sectors and has attracted significant amounts of foreign direct investment. General Electric and General Motors have recently agreed to significant investments in Hungary.
 - Among other USG assistance programs, America is seeking to promote Hungary's private sector with a \$60 million authorization for the Enterprise Fund, of which \$5 million was appropriated for this year.
 - Nevertheless, the Hungarian privatization program ran into rising public sentiment against selling the national patrimony at bargain basement prices.
- o The economy continues to be plagued by excessive subsidization, protection of inefficient enterprises, and inefficient firms protected by CEMA trading patterns.
- o Foreign Minister Rabar announced in late June that the forint should become publicly convertible by 1991.

FACT SHEET: U.S. ECONOMIC ASSISTANCE

- o U.S. earmarked assistance to Hungary under the SEED Act is modest (\$60 million over three years). Hungary can benefit from a share of an additional \$69 million under the SEED Act which is not earmarked for either country.
- The Hungarians are particularly interested in assistance to develop small and medium-sized enterprises.

Status of U.S. Assistance Initiatives

- o Under the SEED Act of 1989, approximately \$10 million of economic assistance is planned for Hungary in 1990, including:
 - The Enterprise Fund: The major assistance project in Hungary is the enterprise fund, which is authorized at \$60 million over three years. The Enterprise fund was well received in Hungary. John Whitehead is the chairman of the fund while Alex Tomlinson has been appointed its director.
 - Democratic Initiatives: A.I.D. has already provided \$255,000 for democratic initiatives in FY 1989 through the National Endowment for Democracy. Both the National Republican and National Democratic Institutes sent people to Hungary for election training. Another \$1 million went towards pre-election support for opposition parties in the 1990 parliamentary elections and continues to assist in building democratic institutions.
 - Regional Environment Center: \$5 million has been authorized for the establishment in Budapest of an environmental clearinghouse for all of Eastern Europe. Draft by-laws have already been written, and the center should be operational by September.
 - Other programs for technical training, scholarships, education and cultural exchanges, and labor reforms.
 - The U.S. also plans to contribute \$1 million to the OECD Center for Transitional Economies to be based in Paris.

U.S. ECONOMIC ASSISTANCE (Cont.)

FY 1991 Assistance

- o The administration has sent a request to Congress for a \$300 million appropriation for Eastern Europe for FY 1991. To allow the administration maximum flexibility in allocating the funds, no country-specific earmarks were requested. Therefore, we do not know how much money Hungary will receive in FY 91.

Other Assistance

- We signed a bilateral tourism agreement to encourage and facilitate travel between our nations;
- We have undertaken an energy cooperation initiative to exchange information and views on energy trade and technology issues;
- We have lifted many restrictions on Hungarian diplomatic and journalist activity in our country;
- We have normalized our trade relations by granting Hungary permanent most-favored nation (MFN) trading status; and
- We supported Hungary's efforts to join the Western economic community through both advice on economic restructuring and consultations with our West European allies.
- We determined last fall that Hungary could benefit from the U.S. Generalized System of Preferences, which significantly lowers tariff rates on certain products.
- We have informed the EC that we do not plan to participate in the EC's \$1 billion structural adjustment loan for Hungary.

Structural Adjustment Loan

- o The Department of Treasury approved a \$100 million SAL to Hungary. This was part of a larger BIS bridge loan package which the Antall Government requested.

OLD TEXT: ((The Antall Government has requested U.S. support for a BIS bridge loan. Treasury is now considering joining with BIS on the loan. A/S Dallara should be ready to answer on questions on the U.S. position on the loan.))

POLAND
POLITICAL FACT SHEET

o Local Elections

- Although the voter turnout of 42 percent was disappointing, the May 27 local elections results represented a major triumph for Mazowiecki and the Citizens Committees.
- The elections clear the way for political reforms in local areas where entrenched bureaucracies have impeded the economic and political change. With the enormous personnel changeover, there will be a great need for training of new local officials in such areas as tax collection and city management.

o Walesa Bid for Presidency

- Beginning in May, Lech Walesa launched a campaign to unseat Jaruzelski as president and began vigorous attacks on the Mazowiecki government.
- Mazowiecki and the leadership of the parliamentary Solidarity caucus (OKP) oppose any near-term change in the presidency, insisting that Poland needs continued political stability during the implementation phase of the economic program. Mazowiecki and the OKP favor a new constitution by spring 1991 which would include parliamentary elections and election of a president.
- The public reacted coolly to Walesa's ambitions. In recent days, he has stopped criticizing Mazowiecki, and has indicated he will put aside his plans for the time being.

o Labor Unrest

- In May, a widespread railway strike broke out in the city of Slupsk and soon spread throughout the northwestern part of Poland including the major ports of Gdansk and Gdynia.
- The strikers failed to attract public sympathy. On May 28, after intervention by Lech Walesa, they agreed to suspend the strike for two weeks and return to work.

o International Issues

- Polish concerns about their border with Germany have significantly diminished in recent weeks although procedural differences with the Germans on resolving the issue remain. The Poles are pleased to have been invited to the July Two-plus-Four ministerial.

- The Poles continue to press for strengthening of CSCE as a major foreign policy goal.
- Relations with the Soviets have been smooth despite Poland's independent foreign policy which has included support for German NATO membership. Mazowiecki favors substantial reductions in Soviet troops in Poland.

POLAND

Economic Fact Sheet

Economic Program

- o On January 1, the Mazowiecki Government undertook economic "shock therapy" aimed at stabilizing and restructuring the economy.
 - The program included tight fiscal and monetary policies, wage growth controls, and "internal" convertibility of the zloty.
- o After five months the stabilization program has worked fairly well. Inflation is down from a peak of 78% for the month of January to under 5% per month. Nevertheless, on an annual basis, inflation is still very high. Poland's economic program calls for getting inflation down to 1% per month by the last quarter of the year.
 - The zloty-dollar exchange rate has held firm at 9500 zlotys to the dollar. Poland's hard currency reserves increased by \$1.5 billion during the first quarter.
 - The recent railway workers strike threatened to disrupt the stabilization program. For this reason, the government refused to approve wage increases for the railway workers.
 - Poland's IMF standby-arrangement was approved in early February. To date, the World Bank has approved two project loans. A structural adjustment loan and additional project and sectoral loans are pending World Bank approval.
- o Economic stabilization has occurred at a price. Production and incomes were down about 30% during the first quarter. Unemployment at the end of May was 443,000 people (the IMF estimated that about 180,00 of this total were not job losers).
- o The restructuring program has proceeded relatively slowly. The Mazowiecki Government's privatization bill, covering large state-owned enterprises, is still tied up in the parliament.
 - Some small scale restructuring has taken place. For example, direct sales from the back of trucks is competing with state outlets for consumer sales.

Foreign Trade

- o Poland's foreign trade performance to date has been much better than expected. The hard currency trade surplus after four months is about \$1.2 million. Hard currency exports are up 7% while hard currency imports are down about 20%.

ROMANIA: POLITICAL SITUATION

- o Popular Revolt: A popular uprising, supported by the army, overthrew the 24-year-old Ceausescu regime on December 22, 1989, and brought to power a coalition called the National Salvation Front (NSF), which pledged to build a pluralistic democracy and liberalize the economy.
 - The NSF, which contains many former communist officials, continued to dominate the interim government, even after the establishment in early February of a multiparty quasi-parliament, the Provisional Council of National Unity.
- o Political Reforms: The Communist Party's leading role in society has been abandoned; the party organization has apparently collapsed. All political prisoners have been amnestied. Freedom of expression, religion and travel have been expanded considerably. Full rights and equality for Romania's ethnic minorities have been promised, although a mid-March outbreak of violence between ethnic Hungarians and Romanians in the Transylvanian town of Tirgu Mures demonstrated the continued volatility of minority issues.
- o Elections: With over 400 international observers present, interim President Ion Iliescu and the NSF won a landslide victory in elections held on May 20, the first multiparty elections in a half century.
 - The electoral process was marred by intimidation of opposition candidates and supporters, the NSF's unrestricted, overwhelming access to government resources and the broadcast media, and impediments to free distribution of independent newspapers and opposition campaign literature. Concerns over secret police manipulation of the political process were also voiced.
 - Other parties represented in the new parliament include the Hungarian Democratic Union, the National Liberal and Peasants parties, and the Romanian Ecological Movement.
- o National Issues: The new parliament is charged with writing a democratic constitution and preparing for the next elections within two years. The elected government will have to build democratic structures, establish a working dialogue with the political opposition, reform the economy, reassure the Romanian people that the secret police have been truly dismantled, and work to resolve the country's deep ethnic divisions.
- o Relations with U.S.: The U.S. has stated that consideration of long-term trade and assistance programs with Romania, including MFN restoration, will depend on that country's continued movement toward democracy and economic liberalization. This will be especially true in view of our concerns arising out of the May elections.

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ROMANIA: ECONOMIC FACT SHEET

Economic Trends

- o GNP fell an estimated 1.5% in 1989. The downward trend continues with the economy still reeling from the effects of the December revolution. First quarter industrial production dropped 20% compared to first quarter 1989, and there are no signs of recovery.
- o Inflation, not yet a problem, could soar if price controls are lifted because of the enormous monetary overhang.
- o Unemployment is estimated at 5-7% and rising.

Hard Currency Trade and Debt

- o Ceausescu's draconian policies resulted in the near elimination of foreign debt by the end of 1989.
- o To bolster domestic supplies after the revolution, hard currency exports were cut 40% this year through March compared to first quarter 1989, while imports rose 75%.
- o Gross debt now is some \$500 million and growing, as imports of needed medicine, consumer goods, and capital goods rise.

Trade with the USSR

- o Soviet trade has become more important to Romania with the rise in Soviet energy deliveries, which now make up half of Soviet exports to Romania compared with 28% in 1980. Romania imports 25% of its energy, 10% from the USSR.
- o Data is unavailable, but the USSR's share of Romanian trade probably has risen since 1985, when it was 22%.

Status of Economic Reform

- o The newly elected government of former Ceausescu officials has yet to prepare a comprehensive economic reform program. There are no plans for currency convertibility.
- o The government envisions 70% of the economy in private hands in three years, but has not yet adopted a privatization plan. Only small retail and service businesses have emerged so far in the private sector.
- o The government's brutal crackdown on dissent after the June election suggests that the political environment necessary for market-oriented reforms to take root and flourish is still a long way off.

UNCLASSIFIED

YUGOSLAVIA

- o Two of Yugoslavia's six constituent republics -- Slovenia and Croatia -- held free and fair elections this spring, electing noncommunist governments.
- o Elections at the federal level and in the remaining republics should take place before the end of the year, although the Serbian republic government has not yet agreed.
- o The new governments in Croatia and Slovenia are seeking a looser, confederal system for Yugoslavia; discussions among the republic leaderships and federal authorities on the future shape of Yugoslavia have begun.
- o While it is for the Yugoslavs alone to decide under what constitutional arrangements they wish to live, the U.S. Government supports the unity and territorial integrity of Yugoslavia.
- o The situation in Serbia's Autonomous Province of Kosovo, however, could undermine efforts to work out a new formula peacefully.
 - Serbian pressure has driven Kosovo's Albanian majority almost to the point of declaring a separate republic.
 - This would trigger a violent Serbian reaction; Slovenia and Croatia would oppose Serbian efforts to use force to reestablish control over Kosovo.
- o On the economic front, Prime Minister Markovic's tight-money policies and creation of a stable, convertible currency have stopped Yugoslavia's hyperinflation.
- o Privatization and modernization are now key priorities for the Markovic government. To make more money available, it sought a Paris Club rescheduling, but the USG cannot support a rescheduling at this time, given Yugoslavia's strong foreign exchange position (\$8.5 billion surplus). Markovic has taken this hard.
- o Our effort to support the Markovic reforms with US technical expertise in areas of management and finance is moving ahead.
 - Yugoslavia will be eligible for monies under SEED II and AID will make available about \$200,000 from current fiscal year funds.

YUGOSLAVIA: ECONOMIC SITUATION

Economic Shock Therapy

- o On January 1, the government of Prime Minister Ante Markovic put into effect an economic "shock therapy" program to rein in Yugoslavia's galloping inflation rate (2,700% in 1989) and stabilize the economy. The highlights of the program are:
 - The Dinar was made convertible, effective January 1, and its value tied to the Deutsche Mark at a seven to one ratio.
 - The convertible Dinar is being issued at the rate of one per ten thousand old Dinars.
 - The National Bank of Yugoslavia (the central bank) is trying to dampen inflation by restraining money supply growth.

Results So Far

- o The Markovic stabilization program is showing some positive results:
 - Official statistics indicate that the inflation rate fell from 59 percent in the period November 20 to December 20 to 41.5 percent during the following 30 days. Using a different index, inflation for January proper registered only 17 percent and the figure for February was 8.4%.
 - Although this is still well above the GOY's probably hopelessly optimistic target of only 5 percent for January, it was good enough for the IMF Board to approve a standby agreement for Yugoslavia on March 16.
 - The new Dinar not only has held its own against foreign currencies, but actually has appreciated somewhat.
- o Yugoslavia's hard-currency foreign exchange position has improved considerably in the last two years:
 - The hard currency surplus now amounts to over \$7 billion.

- Yugoslavia's improved foreign exchange position suggests, however, that the Paris Club will look very skeptically at Belgrade's expected request to further reschedule its official debt. (Yugoslavia's total hard-currency debt is about \$18 billion.)

What Remains to be Done

- o Getting Yugoslavia's hyper-inflation under control is Markovic's most pressing problem, but he still must solve the root causes of Yugoslavia's economic malaise:
 - The easy credit that is used to keep Yugoslavia's many insolvent enterprises alive is the ultimate source of the country's inflationary spiral. Liquidating chronic loss makers will be politically difficult because of the resulting unemployment.
 - Proposed constitutional amendments to reform the tax system and centralize economic authority at the federal level are opposed by Slovenia, which fears that such authority could be used against its interests in the future.

3C

it off—the ranking member—the chairman; we lost control of the it all—[laughter]—but Senator Mond, to provide money for space, more Federal law en-officers. But the Democratic n Congress has just left too ndone on our violent crime d I call on Congress to recog-he kingpins who are dealing lealing death—judge them for e—they are murderers, and we h on those people.

ere's one other issue above all that's the state of American t might say parenthetically— wrong, but I think we all owe attitude to Barbara for her crus in literacy and fighting to icty more literate.

he government side, Carroll ows the priority for education. working to make this State one in educational excellence. u are striving to do for South m determined to do for all of merican students must be— ese national goals now—must ath and science. Every Ameri- must be a literate citizen and every school in America must plined environment and, most e drug-free. You see, education everything we are and can d that's why Governor Camp- a leader and worked so close- at our education summit—the n summit with all the Gover- here in Charlottesville, Virgin- comes to education, we've got uccess not by dollars spent but s achieved.

let me say one thing more and this State, something that olitics. South Carolina had— ed to this—had a very unwel- last year, a vandal by the name } Hugo. You also had a Gover- who moved decisively to bring id, to save countless lives.

tough days, he was up to his Also helping with relief efforts rs of Congress, State legisla- rs, and also, God bless them, n and women of South Caroli-

na, the State troopers, the Boy and Girl Scouts, whole church congregations, and too many volunteer groups to possibly name.

Everyone lost something to Hugo, and some lost everything. But no one had time—and I saw this, because Strom and I and Carroll went down there together just for a little bird's-eye view—no one had time for self-pity or worry as long as one neigh- bor remained stranded or needed a helping hand. In those terrible days of wind and rain, and during the long months of clean- up, that ghastly cleanup that followed, South Carolina became a point of light, giving all of America a shining example of the very best within us.

And that's the way for the greatest coun- try on Earth; that's the American way. You know, this same spirit of openness and giving found right here in South Carolina makes America a beacon of hope for the world. Isn't it an exciting time—to see the changes for democracy and for freedom that are taking place all around the world, that have taken place just in the last 12 months. I can think of no more exciting time in history to be President of the United States than during this last year of dynamic change for democracy and free- dom around the world.

I hear a lot of marvelous stories. I wish you could have seen the look on the Presi- dent of Czechoslovakia's face, Vaclav Havel, the playwright. Bar and I thought it would be nice for him to see the Lincoln Bedroom in the White House, the bedroom in which Lincoln actually signed the Emancipation Proclamation. And the look on his face, as a man who was in jail and dying, or living— whatever—for freedom, stood out there, hoping against hope for freedom. It just was so moving to see this marvelous symbol of our identity there.

But I recently heard of a man living in Romania who braved arrest by possessing what the previous regime considered to be a dangerous and subversive weapon: a single American newspaper. This coura- geous man was so enthralled that he not only kept this paper, he read it every day for 3 years. He memorized it, and he sa- vored the uncensored news and the free- wheeling editorials and even the advertise- ments. That's how hungry the world is for

the truth. That's how vital our liberty is to the oppressed. That's why America truly is a point of light for the world.

And no star in this American constellation burns brighter than the State of South Caro- lina. After all, historic changes are occur- ring around the world because of American leadership, leaders like your great Senator that stands for something, Strom Thur- mond. When America needed to be pro- tected during the Cold War years, Strom, rock-solid, standing for freedom—we'll never forget it. This country owes him a great vote of gratitude. We need his hard- won wisdom and leadership, really, as never before.

Today it's been my special honor to appear on and try to help honor someone who embodies South Carolina's determina- tion, courage, and just plain old common sense. And of course, I'm talking again about Carroll Campbell. He's been a great Governor, and with your support, he can bring an even greater future for South Carolina.

Thank you for this magnificent turnout, this fantastic support for a great Governor. God bless the United States of America. Thank you very, very much.

Note: The President spoke at 7:12 p.m. at the Governor's Mansion. In his opening re- marks, he referred to Governor Campbell's wife, Iris, and sons, Carroll and Mike; Les Tindal, South Carolina Commissioner of Agriculture; Dick Greer, chairman of the Re-Elect Governor Campbell Committee; and Lee Atwater, chairman of the Republi- can National Committee.

Remarks at the University of South Carolina Commencement Ceremony in Columbia, South Carolina May 12, 1990

Thank you, President Holderman, distin- guished officials of this wonderful universi- ty. My special respects to two great United States Senators, Senators Strom Thurmond, Fritz Hollings, over here—I'm proud to be with them today—and to Representatives Floyd Spence and Elizabeth Patterson, with

us; of course, to my dear friend, your Gov- ernor, Carroll Campbell, who's a tremen- dous partner in our national crusade for ex- cellence in education. I also want to say how pleased I am to be on this stage with Archbishop Iakovos, one of the great church leaders of today.

I know, looking around, that tickets were hard to come by today. It wasn't simply parking. Barbara's here. [Laughter] Thank goodness she's getting an honorary degree there because it was the only way I could get her a seat in this big place. [Laughter] But thank you for honoring her.

And she's in great company, as am I, with today's other recipients of honorary de- grees. I don't know how many of you have heard me speak before, but being on stage with Andrew Lloyd Webber is about as close as I'll ever get to a dramatic presenta- tion. [Laughter] Congratulations to you, sir.

And to Michael Eisner: The success that he's achieved at Disney is the envy of CEO's worldwide. His secret's simple: Just surround yourself with the best and the brightest—Dopey, Dumbo, Goofy. [Laugh- ter] But what you may not know, and you should, is I salute him, too, for his commit- ment to this concept of Points of Light, the best impulse of America—and Michael Eisner exemplifies it—one American willing to pitch in and help another. He's a great American.

Now to you all. I've saluted—hope I have—your faculty. I should; they're out- standing—the trustees and those who govern this great institution, and to the class who I'm here to help these others honor. You've gone to school for 4 years, the last thing you want to hear is a long lecture. But I wanted to use this great uni- versity as a forum for some serious foreign policy observations. I've chosen to make each of several commencement speeches this spring a reflection on democratic change. Last week, at Oklahoma State, I focused on the new role of our Atlantic alli- ance. Yesterday, down in Texas, at Texas A&I, I spoke about technology and the vast frontier of space. This morning, I want to talk about a frontier of a different sort, about the new world of freedom opening up in Eastern Europe.

is pretty serious business, but ask you to bear with me, but do remember a graduation at the graduation speaker got a mater—Y is for youth. That's it. A is for altruism; young altruistic. Another 32 minutes. I rushed that one off in about 18 minutes. Obviously for excellence. Another 32 minutes. When he left, one student was giving thanks to the speaker. "Yes, sir, I am. I'm giving thanks to the University of America." [Laughter]

With me, because we are living in times. In the past year, one another has pulled itself out of communism, onto the threshold of freedom. Each has endured great suffering, economic damage. In the images of long lines and suffering. But what we can't see so much beneath the surface but no the moral damage, the deep spirit left by four decades of rule.

In these regimes, the human subject to systematic assault. Religion, right and wrong—any challenge to the rule of the state became the state. Believers were persecuted and cemeteries razed. Citizens stood one against the other, enemies of the regime's information stood outside the reach of the state. History—well, it is to suit the needs of the day's heroes airbrushed out of history. Milan Kundera, author, called it organized for-

these nations had laws. They had constitutions. All in state. They had, in name at least, freedoms; in reality, the rule of law—not the rule of law but the whim of the people but the whim of the state. That's how in Romania the law was for three or more people to be arrested in the street. That's how in Romania a man whose son was teaching others about religion was arrested for 6 months. The trumped-

up charge: walking on flower beds. We will never know how many dissidents were punished as common criminals and how many millions of others were frozen by fear into silence and submission.

That's the legacy, the landscape of moral destruction. The tragic consequence of four decades of Communist rule: a breakdown of trust. From ancient times, the great minds have recognized the link between the law and trust. As Aristotle wrote: "Law is a pledge that the citizens of a state will do justice to one another"—the bond that makes the collection of individuals into a community, into a nation.

Fortunately, the moral destruction in Eastern Europe, as you all know, was not complete. Individuals somehow managed to maintain an inner strength, their moral compass; to sustain the will to break through the regime's wall of lies. They did so, as Vaclav Havel [President of Czechoslovakia] put it, by the simple act of "living in truth." They created "flying universities," where lecturers taught in private homes. They formed underground publishing houses and groups to monitor human rights, an authentic civil society beyond the reach of the ruling establishment. And today the builders of those civil societies no longer live underground. They are the new leaders of Eastern Europe. And they've begun to build, on the ruins of Communist rule, democratic systems based on trust.

Today I want to focus on how America can help these nations secure their freedoms, become a part of a Europe whole and free. Early this year, in the State of the Union, I talked about America's role as a shining example, about the importance of America not as a nation but as an idea alive in the minds of men and women everywhere. And that idea was, without doubt, a guiding force in the Revolution of 1989.

Let me share a story with you about a recent American visitor to Romania who asked the people she met what they needed now, what was most important to them. This simple question produced some unexpected answers. In Timisoara, one woman pulled from her purse a worn copy of TV Guide, an issue from July 1987, containing a bicentennial copy of the United States Constitution. And she held it out to the Ameri-

can visitor. And she said, "What we need is more of these."

And there on the streets of Timisoara—in a country where food is in short supply, where homes are without heat and streets dark at night—there a woman pins her hopes on our Constitution. What that Romanian woman wanted, what all the nations of Eastern Europe aspire to, is democratic life based on justice and the rule of law.

Poland, Czechoslovakia, and Hungary stand now, in the spring of 1990, as America stood in the summer of 1787. Who will be their Franklins, their Washingtons, their Hamiltons, their Madisons, their men and women of towering genius, the nation builders who will set in place the firm foundations of self-government? Some of them we know by name, the heroes of the Revolution of '89. But for Eastern Europe's constitution builders, the work has only now begun because the fate of freedom depends not just on the character of the people who govern but whether they themselves are governed by the rule of law.

And just as the framers of our own Constitution looked to the lessons of history, Eastern Europe's new democracies will look to their own parliamentary past, to Europe's example and, of course, to our own American Constitution. And that's why we must export our experience, our two centuries of accumulated wisdom on the workings of free government.

Already we're actively engaged with Eastern Europe and the Soviet Union with an ongoing series of exchanges bringing jurists and parliamentarians, political leaders here to the United States to meet their American counterparts. And today I'm pleased to announce four new initiatives, four steps that the United States will take to support democratic development in Eastern Europe.

First, America will continue to act to advance economic freedom. In the past year, we've committed more than \$1 billion in direct economic assistance to Eastern Europe. We've extended loans and credits, opened our markets through most-favored-nation status, and promoted American investment. And today I'm pleased to announce yet another economic initiative: The Export-Import Bank will provide Poland a new line of medium-term export

credits and loan guarantees for purchasing machinery, technology, and services from American suppliers.

And second, the United States will work to help ensure free and fair elections in Eastern Europe. And next week, we'll send a Presidential delegation to observe the elections in Romania and another team to next month's elections in Bulgaria.

Third, America will work to broaden the mandate of the CSCE, the Conference on Security and Cooperation in Europe. Less than a month from now, as one of the 35 nations of the CSCE, the United States will take part in a conference on human rights, including free elections, political pluralism, and the rule of law. And I've instructed Ambassador Max Kampelman, head of our delegation, to seek a new consensus on these cornerstones of freedoms, rights, and democracy. As I said last week at Oklahoma State University, we must work within the CSCE to bring Eastern Europe's new democracies into this commonwealth of free nations.

Fourth and finally, we will work to strengthen the foundations of free society in Eastern Europe. And I am pleased to announce today the creation of a Citizens Democracy Corps. Its first mission: to establish a center and a clearinghouse for American private sector assistance and volunteer activities in Eastern Europe. We know the real strength of our democracy is its citizens, the collective strength of individual Americans. We're going to focus that energy where it can do the most good.

America has much to contribute, much it can do to help these nations move forward on the path to democracy. We can help them build political systems based on respect for individual freedoms; for the right to speak our mind, to live as we wish, and to worship as our conscience tells us we must; systems based on respect for property and the sanctity of contract; laws that are necessary not to amass fortunes, not to build towers of gold and greed, but to provide for ourselves, for our families; systems that allow free associations—trade unions, professional groups, political parties—the building blocks of a free society. We've got to help the emerging democracies build legal systems that secure the procedural

to preserve freedom and, above all, that supports a strict equality of opportunity that guarantees that all men and whatever their race or ancestry, stand before the law.

In this century, we've learned a painful lesson about the monumental evil that can be done in the name of humanity. We've learned that a vision of Utopia can become a nightmare for millions of men and women. We've learned, through hard experience, that the only alternative to tyranny is the rule of law. That's the essence of the mission for Europe: a Europe where the dictators are dethroned but the rule of law, reflecting the will of the people, ensures the freedoms millions fight so hard to gain.

It is still work to be done. In the streets, where people struggle for the right to determine their own future, we are so free to chart our own course, with their hopes and aspirations. We see, we're committed to self-determination for Lithuania and Latvia and Estonia; ultimately, the Soviet Union itself, committed to openness and reform, free from a Europe that's whole and democracy and freedom threaten abroad.

Sometimes we hear today that with freedom comes triumph—and, oh, what excitement we're living in—that America's dream is done. Nothing could be further from the truth. I want to close today with a reminder of the enduring power of the American idea and the unfinished business of this generation that you proudly

represent a town called Plzen in Czechoslovakia, a town that just last week celebrated, 45 years ago, when it was liberated from American troops. Of course, within a few years, Plzen's dream of freedom behind the Iron Curtain, and with the knowledge that day back in 1945. A man grew up being taught that Plzen was freed not by your fathers and mothers in the United States Army but by soldiers dressed in American uniforms—the people of Plzen knew better. They forgot. And today, finally free of the truth, the town invited their liberators back. After 45 long years, American soldiers returned to the

streets of Plzen, to the sounds of "The Star-Spangled Banner," to a hero's welcome.

Those GI's, my generation, were your age in 1945. And now it falls upon you, the graduating class of this great university, to uphold our American ideals not in times of war, thank God, but in a time of tremendous excitement, helping these nations secure the freedom that your fathers and grandfathers fought for, the freedom millions only dreamed of until today.

Once again, it's been my honor to share this special day with you, your families, and your friends. Thank you, and may God bless this great university and the class of 1990. Thank you all very, very much. Thank you.

Note: The President spoke at 11:25 a.m. at the Carolina Coliseum on the campus of the university. In his remarks, he referred to James B. Holderman, president of the university; Archbishop Demetrios A. Iakovos of the Greek Orthodox Archdiocese of North and South America; composer Andrew Lloyd Webber; and Michael D. Eisner, chairman and chief executive officer of the Walt Disney Co.

White House Fact Sheet on the Citizens Democracy Corps May 12, 1990

The President announced today the creation of a Citizens Democracy Corps. The objective of this major new program is to support democratic change and market-oriented economic reform in Eastern Europe by mobilizing and coordinating American private sector initiatives.

Since the President's historic visits to Poland and Hungary and the revolutions of 1989, private Americans and voluntary organizations have stepped forward with extraordinary generosity with offers to assist the process of democratic change in Eastern Europe. To make best use of the enormous energy and creativity of the American private sector, the President supports the creation of a new center to promote these volunteer initiatives and match them with requests for assistance from Eastern Europe.

The Citizens Democracy Corps will serve as an information clearinghouse for U.S. private volunteer assistance programs for central and eastern Europe. It will establish an information base of technical services and equipment available from the United States on a private, volunteer basis. The Democracy Corps will also be a recipient of requests from central and eastern Europe for assistance in such areas as constitutional law and parliamentary procedures; English-language training; journalism, broadcasting, and publishing; public health and medical support; market economics, banking, and financial services; business law, commercial practices, and agriculture; and environmental protection.

The Citizens Democracy Corps will be the point of contact for U.S. businesses, voluntary organizations, and educational institutions that want to find out what is now being done and where further efforts are needed. The Democracy Corps could also launch new volunteer initiatives to meet the changing requirements of the region.

The President will ask prominent citizens representing a cross section of the American private sector to form a commission to direct the program and stimulate volunteer groups. The commission and the volunteers mobilized to provide assistance will be called the Citizens Democracy Corps. While the U.S. Government will help provide initial funding, the Democracy Corps will create its own financial base so that it can become, in the full sense of the term, "citizens democracy."

Remarks at the Liberty University Commencement Ceremony in Lynchburg, Virginia May 12, 1990

Thank you so much. And to all of you who are done medium well or medium well-done up here in the stands, I'll try not to keep you too long. [Laughter] But I am delighted to be here. And to Dr. and Mrs. Fulwell, thank you for your hospitality. Jerry, I'm glad to have been introduced by a loyal friend. Thank you very much, sir. And to President Guillermin and my dear

friend John Warner and Mayor Bryan and members of the board of trustees and the faculty, administrators, parents, and graduates, thank you for that welcome and introduction and for this most generous reception. I was privileged to address the students and faculty of this wonderful university before. And now, as then, it's good to know that if it takes divine intervention to save my remarks, help is close at hand. [Laughter]

I couldn't help but notice the honorees and I would like to say that I am proud to be numbered among them—Reverend Henderson, Reverend Theis, Reverend Cox, Reverend Irvin and, of course, Mr. Williams, who's been such a benefactor to this wonderful university and to many other great causes. And let me say how it's not all just religion around here, because I recognize Eric Green over here. How many small colleges have a first-round draft choice for the National Football League? Eric, stand up there. [Applause] And I think we all can recognize that Eric didn't do it alone. Sam Rutigliano is a pretty good influence on these kids around here.

This afternoon, I'm honored to be back here and to join my fellow graduates. Of course, I also want you to enjoy today. Therefore, I'll renew my promise: I will be brief. After all, you've worked and studied for 4 long years, and now comes the hard part: listening to a commencement address. [Laughter]

Looking around campus as we flew in, I marveled at the changes since I was here last: new name, certainly a beautiful new stadium, three times as many students. And it got me to thinking how college itself has changed since my days as a undergraduate. The students are so much younger—[Laughter]—I can't understand it—and so much smarter—that I can understand. Nowadays, with computers, bringing an apple to the teacher has a whole new meaning. [Laughter]

This spring, I've spoken in each of my commencement addresses about another kind of change: the democratic change that in 1989 and '90 has stirred and amazed the world. Last week, at Oklahoma State University, I discussed how this change will affect our Atlantic alliance. Yesterday in

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Editor's Note: The President traveled to Kingsville, TX, and Columbia, SC, on Friday, May 11, the closing date of this issue. Releases and announcements issued during the trip but not received by the Office of the Federal Register in time for inclusion in this issue will be printed next week.

ON OF

DOCUMENTS

The Office of the Federal Register, Administration, Washington, DC, publishes the *Weekly Compilation of Presidential Documents* containing other Presidential materials received during the preceding week.

The *Weekly Compilation of Presidential Documents* is published in the Federal Register (44 U.S.C. Ch. 15), under regula-

tions prescribed by the Administrative Committee of the Federal Register, approved by the President (37 FR 23607; 1 CFR Part 10).

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There are no restrictions on the republication of material appearing in the *Weekly Compilation of Presidential Documents*.

Week Ending Friday, May 11, 1990

Remarks at the State University Commencement Ceremony in Stillwater, Oklahoma May 4, 1990

Thank you so much for that warm welcome. And thank you, Governor Bellmon, my long-time friend; President Campbell, you, sir, for your wonderful hospitality. And Senator Don Nickles, my collaborator and colleague up in Washington, DC; Congressman Wes Watkins, another graduate of this great institution—Bellmon, '42; Nickles, '71; Watkins, '60. I am delighted to be with these three distinguished public servants. I want to congratulate Chief Wilma Mankiller and Mr. Donnelly, the recipients of the coveted Bennett Awards, and say how proud I am of them. And salute the regents; the administrators; the faculty; the parents; Liz Taylor, right here; and most of all, O.S.U.'s centennial graduating class. Congratulations to each and every single one of you. I'm sorry Barbara couldn't be with me here. She did tell me to get a beer and some cheese fries over at Eskimo Joe's. Hoping at the same time they have enough T-shirts for all the grandchildren.

You know, when graduates of my vintage were sitting through ceremonies like this, right after the Second World War, we faced a world of changes, full of potential and new possibilities. Barbara and I got into a red two-door Studebaker—you still drive those, don't you, around here? [Laughter] But nevertheless, we drove from Connecticut down to west Texas. I've often wondered how far I'd gone if I'd made it on up to Oklahoma.

Postwar America was ready back then in 1948 for peace and prosperity. But while the free world was recovering, the nations of Eastern Europe were being "consolidated" behind an Iron Curtain. So began four decades of division in Europe—40 long years of suspicion between two superpowers, the Soviet Union and the United States. And today you also graduate at an end of an

era of conflict—but a contest of a different kind, a cold and abstract war of words and walls. Now Europe and the world have entered a new era: the Age of Freedom.

I hope you'll forgive me if I use this great forum at your great university to handle a subject of a very serious nature. It may be a little longer than you want to hear. I remember the graduation at Yale University, my school. The man giving the graduation speech got up and said, "Y is for youth." And he talked about 25 minutes. "A is for altruism." Another 32 minutes. "L is for loyalty." Brushed that one off in 20 minutes. "E is for excellence." And when he finished, there was one kid out here in the audience—everyone else had fled. He looked like he was praying. And the speaker said to him, "Well, I'm glad you're saying a prayer. What are you praying for, son?" He said, "I'm praying to God and giving thanks that you didn't go to Oklahoma State University." [Laughter]

But I want you to bear with me because I'll be reflecting on the power and potential of democratic changes in several of these commencement addresses that I make this year. I begin today—my very first, at your great university—with a few words on the changes and America's place in the new Europe. A few of you may be wondering what a continent 4,000 miles away has to do with your class and you. Throughout our history, great upheavals in Europe have forced the American people to respond, to make deep judgments about the part we should play in European affairs. This has been true from the time of the French Revolution and the wars which followed it, to World War I and the flawed peace which ended it, on to the Second World War and the creation of the postwar order. I believe that now we are poised at another such moment—a critical time in our strategic relationship with our neighbors across the Atlantic.

Many of the graduates of America's Class of 1916 have wondered why the faraway

headlines in their newspapers anything to do with them. They agreed with President Wilson, or said, "We are not interested" in the war, in "the obscure" from which its stupendous flood th. But a year later those class- their country were swept up in carrying them to the horror of in France. Yet after the war, ned away from active involve- European affairs. Instead, we spont- to outlaw war and then, as gained strength, the United new neutrality laws. Another of Americans sat in the bright nouncement ceremonies at col- ss our country, thinking war in ld somehow pass them by. But me, they paid an awful price, a e for America's isolation. Then r ended, those students who- uestioned our role in the future. They no longer asked what to do with them because they w-er—everything.

ar ago in Germany, I defined Europe our country is commit- ceeful, stable Europe, a Europe hole and free. Today that goal r reach. We're entering a new dom in a time of uncertainty, pe. Emerging democracies in ope are going through social, id economic transformations r stagnant, centralized bureauc- have smothered initiative for

In this time of transition, y from the postwar era and inment, we cannot know what people of Eastern Europe will heir future. The process of e Soviet Union is also still un- will be crucial to see, for exam- r Moscow chooses coercion or og in responding to the aspira- Lithuanian people and nation- a the Soviet Union. The only lies in a dialog that results in ed self-determination for Lith-

Gorbachev has made profound his country—reforms so funda- the clock cannot be turned et neither can we turn the

clock ahead to know for sure what kind of country the Soviet Union will be in years to come. And for the sake of the future we share with Europe, our policies and presence must be appropriate for this period of transition, with a constancy and reliability that will reassure our friends, both old and new.

My European colleagues want the United States to be a part of Europe's future. And I believe they're right. The United States should remain a European power in the broadest sense: politically, militarily, economically. And as part of our global responsibilities the foundation for America's peaceful engagement in Europe has been and will continue to be NATO. Recognizing in peace what we'd learned from war, we joined with the free nations of Europe to form an Atlantic community, an enduring political compact. Our engagement in Europe has meant that Europeans accept America as part of their continent's future, taking our interests into account across the board. Our commitment is not just in defense; it must be a well-balanced mix of involvement in all dimensions of European affairs. Because of our political commitment to peace in Europe, there hasn't been a war on the continent in 45 years. Think of your history books—not a war on the continent in 45 years. This long peace should be viewed through the long lens of history then. Europe has now experienced the longest uninterrupted period of international peace in the recorded history of that continent. The alliance is now ready to build on that historic achievement and define its objectives for the next century. So, the alliance must join together to craft a new Western strategy for new and changing times.

Having consulted intensively with Prime Minister Thatcher recently there in Bermuda, and President Mitterrand in Key Largo in Florida, and Chancellor Helmut Kohl up in Camp David, and then by telephone or cable with NATO Secretary General Woerner and all of my other allied colleagues, I am now calling for an early summit of all NATO leaders. Margaret Thatcher, one of freedom's greatest champions of the last decade, told me that while NATO has been fantastically successful, we

should be ready now to face new challenges. The time is right for the alliance to act. The fundamental purpose of this summit should be to launch a wide-ranging NATO strategy review for the transformed Europe of the 1990's. And to my NATO colleagues, I suggest that our summit direct this review by addressing four critical points: One, the political role that NATO can play in Europe. Two, the conventional forces the alliance will need in the time ahead and NATO's goal for conventional arms control. Three, the role of nuclear weapons based in Europe and Western objectives in new nuclear arms control negotiations between the United States and the Soviet Union. And four, strengthening the Conference on Security and Cooperation in Europe, CSCE, to reinforce NATO and help protect democratic values in a Europe that is whole and free.

Now, the first task the NATO summit should consider is the future political mission of the alliance. As military threats fade, the political dimension of NATO's work—always there but seldom noticed—becomes prominent. And so, at the NATO summit we should look for ways to help our German friends sustain freedom and achieve German unity, something which we and our allies have supported for over 40 years. And we should reaffirm the importance of keeping a united Germany as a full member of NATO. The alliance needs to find ways to work more closely with a vigorous European Community that is rightly asserting its own distinct views. And in Eastern Europe, governments once our adversaries are now our partners in building a new continent. And so, we must also talk about how to encourage further peaceful democratic change in Eastern Europe and inside the Soviet Union.

But even as NATO gives more emphasis to its political mission, its guarantee of European security must remain firm. You see, our enemy today—if you think about it, what's the enemy today—our enemy today is uncertainty and instability. And so, the alliance will need to maintain a sound, collective military structure, with forces in the field backed by larger forces that can be called upon in some crisis.

And which brings me then to the second task for the NATO summit: a review of how

the alliance should plan its conventional defenses. While we need to recognize that it will take some time before the Soviet military presence is gone from Eastern Europe—before those Soviet troops are taken out of Eastern Europe and before the major reductions contemplated by both sides can be implemented—we need to develop our strategy for that world now. Obviously, as I look at the equation, Soviet actions—what the Russians do—will be critical. Yet even after all the planned reductions in its forces are complete, even if our current arms control proposals are agreed and implemented, the Soviet military will still field forces dwarfing those of any other single European State—armed with thousands of nuclear weapons. Militarily significant U.S. forces must remain on the other side of the Atlantic for as long as our allies want and need them. And these forces demonstrate, as no words can, the enduring political compact that binds America's fate with Europe's democracies.

If the Soviet withdrawal continues and our arms control efforts are successful, we must plan for a different kind of military presence focused less on the danger of an immediate outbreak of war. And we must promote long-term stability and prevent crises from escalating by relying on reduced forces that show our capability and our readiness to respond to whatever may arise. The Conventional Forces in Europe Treaty which we have proposed would be the most ambitious conventional arms control agreement ever concluded. And we must finish the work on this treaty soon and plan to sign it at the CSCE summit this fall. But at the NATO summit we need to look further ahead, preparing follow-on negotiations after the conclusion of a CFE treaty. The NATO summit should develop the alliance's objectives for these talks.

Third, the NATO summit should also assess the future of U.S. nuclear forces in Europe. As democracy blooms in Eastern Europe and as Soviet troops return home and tanks are destroyed, dismantled, there is less need for nuclear systems of the shortest range. The NATO summit should accelerate ongoing work within the alliance to determine the minimum number and types

ons that will be needed to deter
libly and effectively.

it of these new political conditions,
limited range and flexibility of
hort-range nuclear missile forces

Europe, I've reviewed our plan to
and deploy newer, more modern,
ge nuclear missiles to replace the
system that's now in Europe. And
almost finished the R&D, research
elopment work, for these new mis-
it I've decided, after consultation
allies, to terminate the follow-on to
rogram. I've also decided to cancel
her modernization of U.S. nuclear
shells deployed in Europe. There
short-range U.S.—and many more
nuclear missile systems deployed in

And we're prepared to negotiate
action of these forces as well as a
of arms control talks. And at the
ummit, I will urge my colleagues to
n the broad objectives for these
U.S.-Soviet negotiations and begin
ions within the alliance for these
ould also like to suggest that these
S.-Soviet arms control talks begin
fter the CFE treaty on convention-
has been signed.

ing these steps, the United States is
g to allow Europe to become "safe
entional war." There are few les-
clear in history as this: Only the
tion of conventional forces and nuc-
es have ensured this long peace in
But every aspect of America's en-
it in Europe—military, political,
c—must be complementary. And
e where they all come together is
Conference on Security and Coop-
in Europe, an organization of 35
Europe and North America. The
already a beacon for human rights
vidual freedoms. Now, it must take
ader role.

o, the fourth task for this NATO
I'm calling for is to reach common
jectives for the future of CSCE
can help the victorious forces of
cy in Eastern Europe secure their
ns and—as they join the common-
f free nations—be assured a voice
v Europe. The CSCE should offer
elines for building free societies—
c setting standards for truly free

elections, adopting measures to strengthen
the rule of law, and pointing the way in the
needed but painful transition from central-
ized, command economies to the free mar-
kets. The CSCE can also provide a forum
for political dialog in a more united Europe.
I agree with those who have called for reg-
ular consultations among senior representa-
tives of the CSCE countries. We should con-
sider whether new CSCE mechanisms can
help mediate and settle disputes in Europe.
I believe my allied colleagues and I should
agree to take up these new ideas at a CSCE
summit later this year, in conjunction with
the signing of the treaty I talked to you
about—that conventional force treaty, the
CFE treaty.

In Eastern Europe, in this hemisphere,
the triumph of democracy has cast its warm
light on the face of the world like a miracu-
lous dawn. But the outcome of this struggle
for freedom is not ordained, and it's not
going to be the work of miracles. All of you
who graduate here today are part of a his-
toric decision for America's engagement in
the future of Europe. I am convinced that
our work to protect freedom, to build free
societies will safeguard our own peace and
prosperity. The security of Europe and the
world has become very complex in this cen-
tury. But America's commitment to stability
and peace is profoundly clear. Its motiva-
tion really derives from the strength of our
forefathers—from the blood of those who
have died for freedom and for the sake of
all who live in peace. And as you leave this
great university every voice, every heart's
commitment to freedom is important.

There's a story about a man trying to con-
vince his son that in the struggle for free-
dom every voice counts. They stood in a
valley, watching the snow fall on a distant
mountain. It might have been a day like
today. [Laughter] But they stood there.
"Tell me the weight of a snowflake," the
man said. "Almost nothing," answered the
boy. As the snow swirled around them, up
on the mountain they saw an avalanche
whose thunder shook the Earth. "Do you
know which snowflake caused that?" the
old man asked. "I don't," answered the boy.
"Maybe," said the man, "like the last snow-
flake that moves a mountain, in the struggle

for freedom a single voice makes a world of
difference."

America's mission in Europe, like millions
of individual decisions made for freedom,
can make a voice—can make a world of
difference. The cry for freedom—in Eastern
Europe, in South Africa, right here in our
precious hemisphere to our south—was
heard around the world in the Revolution
of 1989. Today, in this new Age of Free-
dom, add your voices to the thundering
chorus.

It's a great honor for me to have been at
this university. Thank you very much. God
bless you. And God bless the United States
of America. Thank you all. Thank you so
much.

*Note: The President spoke at 2:35 p.m. in
Lewis Stadium at Oklahoma State Universi-
ty. In his opening remarks, he referred to
John R. Campbell, president of the universi-
ty; Wilma Mankiller, chief of the Cherokee
Nation of Oklahoma; H.F. Donnelly, re-
search associate of the OSU Center for Com-
munity Education; and Liz Taylor, the
oldest living graduate of OSU.*

Statement by Press Secretary Fitzwater on Mrs. Bush's Meeting With Frank Reed May 4, 1990

Mr. Frank Reed, a recently released hos-
tage from Lebanon, arrived at Andrews Air
Force Base earlier this afternoon. At about
the same time, Mrs. Bush was preparing to
depart Andrews Air Force Base for a com-
mencement address at the Southeast Com-
munity College in Cumberland, KY. Follow-
ing a press conference by Mr. Reed at An-
drews at about 2:45 p.m., Mr. Reed and
Mrs. Bush briefly met on the tarmac near
her aircraft. Mr. Reed said he was thrilled
to meet Mrs. Bush and "glad to be home."
Mr. Reed introduced his family to Mrs.
Bush. Mrs. Bush said, "We're so glad you're
home. I know the President wishes he was
here to meet you."

Both parties then proceeded on to their
planned destinations. Mr. Reed will under-
go further medical examination at the Mal-

colm Grow Hospital at Andrews Air Force
Base. The White House will release a
Washington a photograph of this meeting
as soon as possible.

*Note: Frank Herbert Reed, director of the
Lebanon International School, was kid-
naped by members of the Organization of
the Islamic Dawn in Beirut on September 1,
1986.*

Remarks at the Foundation for Excellence Dinner in Tulsa, Oklahoma May 4, 1990

Thank you all very much. And thank you
especially, Senator Nickles, for that warm
introduction. To Governor Henry Bellmon,
early supporter and friend of longstanding;
Senator Boren, to whom I give enormous
credit for this wonderful evening; and a
the principals that led to this evening an
will lead to so much more for academi-
excellence. And to other distinguished
Members of the Congress that might be
here—especially I want to pay my respect
to [former Speaker of the House] Carl
Albert and Mrs. Albert, who's here, an
members of the foundation, honored guest-
and ladies and gentlemen. I like the Se-
pulpa Band, too. I thought they did an out-
standing job over there.

You'll be pleased, this will be a short
speech. I will leave before the broccoli.
[Laughter] Did you see the kid over there
while I was speaking at Oklahoma State
University holding up a sign: "George, eat
your broccoli." I don't need advice from
little kids about what I'm going to eat.
[Laughter]

But earlier today I gave that speech—
first, just let me say I appreciate this recep-
tion very much and am delighted to be in
this State of open hearts and open skies. Bu-
let me say a word about Oklahoma State.
I gave that speech over there at Oklahoma
State University, and I was delighted to be
there, at Stillwater. They'll never forgiv-
me in Norman. After all, the musical "Okla-
homa" says "the farmer and the cowboy
should be friends." It doesn't say a thing
about the Sooners and Cowboys. [Laughter]

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get out of math and spelling. And I know it won't be easy to do all the things we're talking about this morning, but there's one thing I'm sure you can understand: You're important, because you're the people here. Or you'll even run for President of the United States. It may be hard to believe, but I once was a second-grader just like you.

[Laughter] So, today I want to ask all of you to keep working hard. Do your very best, and don't be afraid to reach for your dreams. I want to challenge the Chamber of Commerce as well—that's all the rest of you past the second grade out there. All of you know that the Government has agreed on a set of national goals, goals we must meet by the year 2000, the year these second-graders graduate. And I'm delighted at all the things the Department of Commerce is doing to advance the cause of excellence in education. I challenge you to get involved in your school and community across America—us make that classroom a place where miracles happen.

Before I go any further, I want to ask the chamber for its support on an essential to our nation's economic future. Last week I sent to the Congress a plan for budget reform: one, the Legislative Line-Item Veto proposing an amendment to the budget to provide a Presidential line-item; and three, a balanced budget. The chamber, together with organizations in the Coalition for Responsibility, has been out there on the lines of the battle for budget reform. I ask you now to push hard for a point plan. The time has come to get the school house in order.

Let me say a few words about my administration's trade strategy. First, success in Uruguay round trade talks is my top priority. The GATT [General Agreement on Tariffs and Trade] needs strengthening. It doesn't cover services, intellectual property rights. Its agricultural trade are far too weak, counterproductive pressures to reduce farm exports. And we've got to make the GATT as a matter of principle:

as a sign to the emerging democracies in Eastern Europe and in this hemisphere that free trade is the way of the future.

Second, let me just say a word about Japan. All of you know that I did not name Japan a priority country under the Super 301 provisions of the 1988 Trade Act. That does not mean that all of our problems with Japan have disappeared. We know that we could sell more American products if Japan's market were truly open. But we've been working hard on that, and I think with impressive results. Over the past few months, we've made more progress on trade issues with Japan than at any other time I can recall. And part of the reason for this success, if you will, is that the Prime Minister, Prime Minister Kaifu of Japan, shares our commitment to ensuring that trade strengthens rather than undermines the friendship between our nations. Now, we are going to continue to press for progress. And keep in mind, section 301 and other trade law authorities remain available to the President, and we will use all the tools at our disposal to open markets and ensure fair treatment for American products, services, American investments and ideas. I'm confident in Carla Hills, our very able and tenacious Trade Representative. I'm confident in her ability, and I'm confident we will achieve lasting results.

John Clendenin mentioned in his speech the whirlwind of the changes we've seen this past year. And last year I spoke to you on May 1, May Day, by tradition one of the great days of celebration in the Socialist world. I said then that even the Socialist world was coming to see that socialism wasn't just another economic system: it was the death of economics. And that much was clear. What none of us could have seen on the eve of May Day 1989 was how close we had come to the wholesale collapse of communism.

First in Poland, then across Eastern Europe—one nation after another broke the stranglehold of the state and embraced democracy. And here in our own hemisphere, in Panama and Nicaragua, the day of the dictator gave way to the decade of democracy. These transforming events brought freedom to tens of millions of people, and with that freedom, new challenges digging out from under the wreckage of ruined

economies, reclaiming rights and freedoms long denied. Everywhere from Prague to Panama City, the time has come to make a start in the difficult work of democracy building.

It's that challenge that I want to talk to you about today, and it's a challenge that can engage every single one of you because you and the institutions you represent are proof of the power of the private sector. Democracy prospers when it rests on the firm foundation of the free market. Think about that. What it means is that one of the chief aims of our public policy must be to involve the private sector, in all its diversity, in the business of building democracy. That's not to say that there's no work for government to do. Government-to-government aid is essential, especially in the first days of democracy when the institutions of free government are most fragile.

That's why we put together aid packages for Poland and Hungary, and that's why I continue to urge Congress to move our Nicaragua and Panama emergency aid legislation to final passage as soon as possible. It is embarrassing. Today I meet with President Endara of Panama. I've asked the Senate and the House to move on that legislation over a month ago, and they haven't done it. I call on them again today to take action in the Senate so we can help those fledgling democracies in Panama and Nicaragua.

It is frustrating to see the Congress delaying its work. Here's the facts. On this legislation, I called for aid on March 13th, to be exact, and asked that it be passed by April 5th. In the House, \$800 million in domestic discretionary spending was added. The Senate added another half a billion dollars and, in committee, tacked on a contentious abortion provision. No wonder the American people get so frustrated with the way the Congress operates. Nicaragua and Panama quite simply need this aid. We've got to deliver, and we've got to show that when democracy is at stake America always extends a helping hand.

But as I've said many times, government aid alone is simply not the answer. It's more than a matter of finding enough funds: it's a matter of principle, of what we mean when we talk about building democracy. The simple truth is this: Democracy and the

freedoms it enshrines can never be a gift of government.

Earlier this year, in the State of the Union, I talked about the cornerstones of free society, the building blocks of democracy, all these elements that make America what it is: competition, opportunity, stewardship, private investment. Those building blocks are what make America work. More than that, they're what makes democracy work. They're what the newly emerging democracies of this hemisphere and in Eastern Europe need to grow and prosper.

Think back to what Lech Walesa said last November when he spoke to the AFL-CIO [American Federation of Labor and Congress of Industrial Organizations]. Picture it: Solidarity labor leader speaking before our great AFL-CIO about the needs of the new Poland. Here is the quote: "Such is the fate of a Polish trade unionist," he said, "that he has to launch a publicity campaign for private entrepreneurship."

Lech Walesa told the Congress that he hadn't come to ask for charity—as we know that we can't create democracy by writing a check. We build democracy in other nations not by taking responsibility for their needs but by helping them take responsibility for themselves. We build democracy whenever we help individuals take their destiny into their own hands. Democracy puts the focus not on government but on the freedom of the individual, not on the state but on society, the private sector. Democracy thrives in direct proportion to the flowering of individual freedom and free enterprise.

Our administration is doing all it can to promote private sector development. The Commerce Department, under Bob Mosbacher's able leadership, has opened its Eastern Europe Business Information Center and, with the chamber, has hosted a conference on doing business in Eastern Europe. Carla Hills, our able Ambassador, and her USTR team have been negotiating with the emerging democracies to open the way for expanded trade. At Labor, we've got a great Secretary of Labor—Elizabeth Dole. She's directing programs assisting Poland on key issues such as job training and unemployment insurance. At Agriculture, most of you know Secretary Clayton

is doing a fine job. He's led this effort, to provide food aid and expertise to spearhead agricultural development.

I want to turn the spotlight on one kept secret in town—an agency called the Overseas Private Investment Corporation. OPIC's programs have existed since the days of the Marshall Plan, providing loans and risk insurance to companies expanding into markets in the developing world. Here's a crowd in particular will be interested.

OPIC is one government agency that actually turns a profit. Today OPIC is an important tool in our efforts to help the world's emerging economies sustain themselves.

I got to be realistic. Economic development can't come overnight. Eastern Europe has gained four decades of economic development here in our own hemisphere, but dictatorship in Nicaragua drove its economy right into the ground, destroyed commercial infrastructure that was possible. But with the emergence of democracy, these nations are beginning to catch up. We need to jump-start their economies, to make the fundamental changes needed to create a functioning market. For democracy's sake, we need to do all we can to help this place.

What you want OPIC then is doing in the free market foundations in Panama. Just 60 days after my visit, Cause, OPIC led an investment of 27 American businesspeople with their counterparts in investment agreements that that 7-day mission should lead to investment of more than \$70 million and 400 new jobs.

That's the story of one company that in that OPIC mission—Servrite, a small dairy company in W. Haven, Connecticut. Servrite is investing in Panama, plans that it because of the old regime. Now, because of democracy, Servrite is working hard, building a modern milk plant in the rural province of Coclé. This project will create 50 new jobs and provide technical assistance to help Panamanian dairy farmers get their milk

to market. For Servrite, this is a good business opportunity, but for the Panamanians involved, it's more than just a paycheck: it's a chance to build a future.

We're looking then to create the same kind of opportunity for investment in Nicaragua and, of course, beyond our own hemisphere, in Eastern Europe. As we speak, OPIC's President, my good friend Fred Zeder, a successful businessman in his own right, is leading a mission to Hungary and Poland, playing matchmaker to 43 American corporations and a far larger number of Eastern Europe's aspiring entrepreneurs.

Most of you know about the \$150-million deal between G.E., General Electric, and Hungary's largest electric enterprise, Tungsram. What you may not know is OPIC's leading role in making that investment possible. That's just a fraction of the interest generated so far. Already OPIC has received requests representing more than \$2 billion worth of American investment in Hungary and Poland alone, for the potential for growth and the dividend for democracy are both great.

You may have heard about some of Japan's new joint ventures in Eastern Europe—Suzuki's plan to build cars in Hungary or Daihatsu's deal to do the same in Poland. There's nothing unfair about these ventures, just proof that one of our key competitors is engaged in a hardnosed hunt for good opportunities in a new market. And I've said it before, and I'll say it now: American business can outthink, outwork, outperform any nation in the world. But we can't beat the competition if we don't get in the ball game. And if American business wants to keep ahead of the competition, the time to act is now.

Government must act, too, to help energize the private sector, and today I'm announcing a new initiative under OPIC's auspices to establish an Eastern European growth fund, a magnet for the kind of investment capital that can create self-sustaining growth and responsible development. This fund will be privately managed, underwritten in part by OPIC, and backed by its political risk insurance within existing budget authorities. And when fully capitalized at \$200 million, this fund will provide

a significant source of new capital for promising economic ventures.

I know the chamber is already involved in expanding free market forces. I've heard about your newly created Eastern European Trade and Technical Assistance Center and about the new American Chamber of Commerce in Budapest. You are helping millions of people realize their dream of democracy.

It will be a tremendous struggle, measured not in days or months but years. But what I've seen on my visits to Poland and Hungary and what I've learned in my conversations with the new leaders of Nicaragua and Panama is that all the years of despotic rule have not crushed the human spirit. These people are determined, full of hope and dreams, and now they're free. And if our American example teaches anything, it teaches that freedom is the world's most powerful force.

It's been a great privilege to speak to all of you today. Thank you, and may God bless these little kids, and may God bless the United States of America. Thank you all very, very much.

Note: The President spoke at 10:12 a.m. at DAR Constitution Hall. He was introduced by John Clendenin, the 1989-1990 chairman of the U.S. Chamber of Commerce.

Remarks Following Discussions With President Guillermo Endara of Panama April 30, 1990

President Bush. Mr. President—President Endara—and distinguished members of the Panamanian delegation, friends, and colleagues. It's been a pleasure and, indeed, an honor to welcome President Endara to Washington. His struggle, the struggle for prosperity and democracy in Panama, has special meaning for all Americans throughout this hemisphere. It both inspires and reminds us that the cause of freedom is as hard as it is just. And many struggle for it; some pray for it, fast for it, are beaten, shed blood for it. Guillermo Endara and his people have done all of that and more. But while the challenges they face are daunting,

the people of Panama remain steadfast, for theirs is a rare privilege: to be present and serve in the rebirth of a great nation.

Two hundred and one years ago today, George Washington was sworn in on the steps of Federal Hall as the President of a newly created nation, an office he didn't seek but felt compelled to serve. He was called into the service of his country "on the eve," he said, "of an arduous struggle for its liberties." While Washington was actually aware of the responsibilities of his office and the power that attended it, he once said that "The most enviable of all titles is the character of an honest man."

President Endara, freely elected and called forth on the eve of his nation's struggle for liberty, is renowned for that character. His intelligence; his grace; his ability as a leader, as conciliator, as consensus builder have won the confidence of Panamanians and all Americans. But the struggle is not over in Panama. While democracy has been restored and the peace is now preserved, we must see that prosperity returns to the people of Panama, and that's been the principal focus of President Endara's visit and our discussions.

And now that Panama enjoys freely elected, legitimate leadership in a democracy based on equality of opportunity, the United States is working to lay a foundation for cooperative relations that will serve both nations well into the coming century. And in that light, I'd like to emphasize our commitment to the Panama Canal Treaties as a framework for the smooth and orderly transfer of canal management responsibilities to a sovereign Panama. And I'm happy to announce today the nomination of the Panamanian Administrator of the Canal: Gilberto Guardia. I want to say that both countries are eager to look beyond the 1990's to begin to consider together the future of that vitally important path between the seas, the Panama Canal.

We're committed to cooperation with Panama across the entire range of our relations—diplomatic, cultural, economic. And we're already beginning to see signs of a Panamanian renaissance, as ransacked stores are restocked and reopened, depositors and lenders are returning, and a new economic confidence is now emerging.



Secretary Baker

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From Revolution to Democracy: Central and Eastern Europe in the New Europe



United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is Secretary Baker's prepared address at Charles University, Prague, Czechoslovakia, February 7, 1990.

On an autumn day in Washington, D.C., 72 years ago, a messenger brought an envelope to the White House. A clerk stamped the enclosed letter, "Received, October 18, 1918." The letter was sent by an elderly former professor from Prague to his friend, a former professor from Princeton. The letter was timely, for on that very day—October 18—the Princeton professor, Woodrow Wilson, President of the United States, was considering a recent proposal from the Austro-Hungarian Empire. That letter to the White House was the Declaration of Independence of the Czechoslovak nation. Thomas Masaryk had sent it.

As our 28th President read the document from the man who would be your first President, he must have been stirred by the words that recalled our own declaration of independence from an empire. He must have been moved by the closing passage:

The forces of darkness have served the victory of light—the longed-for age of humanity is dawning. We believe in democracy, we believe in liberty—and liberty ever more.

That same day, October 18, Woodrow Wilson sent his reply to the Austro-Hungarian Empire. He recognized the Czechoslovak National Council as a

"government clothed with proper authority." And he insisted that Czechs and Slovaks, not an emperor in Vienna, should be the judges of their own destiny.

But the wisdom of Masaryk and Wilson, the rationality of democracy and self-determination, did not last.

The days of reason of 1918 yielded to the unreasoning darkness of 1938 and 1948. Czechoslovakia witnessed—and endured—frightening totalitarian power and the breakdown of the European order. The United States returned to Europe, and America's young men died, resisting Nazi and Fascist aggression. Then America stayed in Europe to contain Stalinist expansionism.

Now the revolutions of 1989 have revived an age of reason for Czechoslovakia and Eastern and central Europe.

That is what brings us together in this special place. Twenty-two years ago, students just like you—students like Jan Palach—joined during a fateful Prague spring to restore the vibrant democratic society that once stood at the heart of Europe—only to be crushed by the twisted normality of "normalization," by the unreason of the era of stagnation. Now you—the students of this great university—have taken part, heroically and responsibly, in your velvet revolution.

So it is especially fitting for me to come here, to Czechoslovakia, to Prague, to this university, to talk with you about how we might promote, perpetuate, and

protect Europe's democratic revolutions. Never again should you—or any other people—have totalitarianism steal away your freedom. Never again should you be just the objects of history, unable to effect, much less shape, your own destiny, unable to do anything but cry out: "*o nas, bez nas, proti nam*"—about us, without us, against us.

From Revolution to Lasting Democracy

In December in Berlin, I discussed four key features of the new European architecture: NATO, the European Community (EC), the Conference on Security and Cooperation in Europe (CSCE), and a continuing American role in Europe.

Here in Prague, I want to resume that discussion. I want to share my thoughts on how Czechoslovakia and its neighbors in central and Eastern Europe can move from revolutions to lasting democracies that draw strength from the new architecture.

The historic, democratic movements that we are witnessing across Europe—here in Prague and in Bratislava, in Warsaw and Budapest, in Berlin, Sofia, Belgrade, and Bucharest—hold great promise for all of us. They hold the promise that Europe can achieve what President Havel has called "the era of freedom," what President Bush has called a "Europe whole and free."

We must work to fulfill that promise and to protect it. Indeed, we all know that initial impulses for democracy may not be enough. If 1989 was the year of sweeping away, 1990 must become the year of building anew.

Four challenges confront the newly emerging democracies of this region.

First, the spirit of revolution needs to move from the streets into the government. Transitional regimes need to give way to fair and free elections that establish open parliaments with a place for opposition. The new democratic political systems need to respect the rule of law and fundamental individual rights and liberties—including freedom of speech, assembly, religion, and the press. Majority rule must respect minority rights.

Second, the spirit of the new Europe needs to be reflected in security arrangements that remove the threat of military aggression or intimidation and promote the peaceful settlement of disputes. Elections and new security treaties will be mutually reinforcing, for only freely elected governments can legitimize the security arrangements the treaties will codify.

Third, the spirit of economic reform needs to move forward to allow free men and women to enjoy economic liberty—including the rights to private ownership and to work alone or collectively in markets where prices are set by individual choices, not centralized *diktat*. The improved performance and freedom of market economies will be necessary to help sustain popular support for the new democracies.

Following from these three challenges, I suggest there may also be a **fourth**: Some of the new democracies of the region may determine that they can better support and sustain their common effort if they do so in concert, perhaps through some form of regional cooperation.

In each of these efforts, the evolving institutions of a new Europe—NATO, the EC, CSCE—will play important roles. So will America. For as you make progress toward democratic ideals, so do we, for that is the essence of America. Both Wilson and Masaryk understood that.

None of us should underestimate the difficulty of the work ahead. But neither should we underestimate the great opportunity presented all of us by your courage.

As President Havel said on New Year's Day: "Let us teach both ourselves and others that politics does not have to be the art of the possible, especially if this means the art of speculating, calculating,

intrigues, secret agreements, and pragmatic maneuvering but that it also can be the art of the impossible, that is the art of making both ourselves and the world better."

Free Elections: The First Challenge

Two months ago in Berlin, I emphasized that governments based on the consent of the governed are the first requirement for an enduring peace in Europe. Americans value self-determination because we value the dignity and freedom of the individual. We value it, too, because the principle of self-determination is the only basis upon which legitimate governments can stand.

The steps you take are not just your own; they are also steps forward for all states that have a stake in a legitimate European order, including the United States and the Soviet Union. Only through the legitimacy of democracy will we achieve a resilient and lasting stability.

Governments accountable to their peoples—and more concerned with the livelihood of their citizens than with their *apparats*, armies, or secret police—will secure a Europe whole and free in a way armies of tanks never could. Democratic governments are far more likely to promote the well-being of their citizens than to pursue expansionist, aggressive aims.

President Gorbachev also appears to have understood this opportunity. By word and deed, this new Soviet leadership seems to agree that legitimacy, not force, is the only way to ensure European stability. As Foreign Minister Shevardnadze said just last month: "We are emerging from a difficult past. We are emerging from it, having learned well its main lesson: Only an advanced democracy can give guarantees against the abuse of power and can secure a nation against repression and violence."

Since self-determination through a free and fair election is the right that secures all others, President Bush has called for adding free elections to CSCE nations' human rights obligations. This proposal would commit all 35 CSCE participating states to hold periodic and genuine elections, permit free party activity, and require that elections be open to foreign observers. Between now and the Copenhagen CSCE conference [on the human dimension in June], the United States will propose new provisions to support, monitor, and carry out a free elections regime within the CSCE process.

Indeed, I propose that all CSCE member states join with the United States in sending observer delegations to

ensure that the people-power elections of 1990 genuinely represent the will of the people.

No proposal could be more timely. Last month Romania said it would invite UN observers to its elections. Now I hope Romania will give our CSCE observer proposal greater impetus by being the first nation to invite CSCE observers. Nineteen eighty-nine was the year the people took to the streets; 1990 should be the year the people move into their parliaments.

I would like to add one cautionary note. We are troubled by indications that some of the governments in the region have engaged in practices that will obstruct truly free and fair elections. Let me be clear: The peaceful transition to democracy now underway in central and Eastern Europe will not tolerate rear guard maneuvers from any quarter. As we have seen in the German Democratic Republic (G.D.R.) and Romania, such actions will only undercut the legitimacy of this vital process. And any steps that undercut the creation of legitimate governments will increase, not decrease, instability. That is in no one's interest.

We will proceed on the basis of a new democratic differentiation: Any backsliding in the movement to create legitimate governments will isolate a nation from the support we can provide.

Consolidating Changes in Europe's Security: The Second Challenge

The democratic imperative is the first and most basic challenge. But the second challenge is no less important. I want to state our objective as clearly as possible: We must leave behind not only the cold war but also the conflicts that preceded it.

After 1918 you built a strong democracy and a vibrant economy, but 1933 and 1948 proved the necessity for enduring, effective security.

The lesson is clear: Military changes must keep pace with political ones. And the conventional armed forces in Europe (CFE) talks are a critical step toward an agreed and codified security system. Last week President Bush made a new proposal that should bring an effective CFE treaty to a rapid conclusion.

The United States is confident that such an agreement will promote a stable strategic relationship in Europe. That relationship should minimize and deter the threat of any army of invasion and end the unjust presence of any army of occupation.

We also believe that enduring security necessitates a continued U.S. military

role on the continent—for as long as our allies desire it—to reassure the nations of Europe, large and small, that we will stand by them to resist invasion, intimidation, or coercion.

We can make the European strategic situation more predictable and perhaps less threatening by encouraging greater openness and transparency in military affairs. Next week, for example, Canada will host the "open skies" conference in Ottawa, where we hope to begin negotiations toward implementing President Bush's proposal to overcome the suspicions of secrecy through a system of overflights on short notice.

The negotiations on confidence- and security-building measures within CSCE offer a vehicle for ongoing efforts to reduce tensions on the continent. Yet our present proposals are oriented primarily

toward the danger of Eastern offensive action against the West. We also need to develop measures that would impede an assertion of military might by any European nation against any other.

So today I propose that we start exploring the expansion of the confidence- and security-building measures agenda. For example, we should consider new proposals to promote greater military transparency among neighboring states, especially along border areas, and to open the military budgets of all 35 CSCE nations to public scrutiny.

NATO will continue to play an important role in ensuring strategic stability and predictability in Europe—West and East—but NATO must also evolve to assume new missions. As a political alliance, NATO offers a cohesive structure that can help address old and new Euro-

pean animosities and fears—outside and inside NATO. As a security alliance among 16 like-minded democracies, NATO should consider how it might facilitate collective action against non-traditional threats—such as proliferation and regional conflicts. As a political and a security alliance, NATO can assist in the verification of arms control and security agreements to the benefit of all Europeans.

Economic Requirements for the New Democracies: The Third Challenge

Free elections and treaties on conventional forces and confidence-building measures will help advance and consolidate your people-power revolutions. But if steps are not taken to promote economic vitality, then the stability of Eu-

Czechoslovakia-A Profile



Geography

Area: 127,896 sq. km. (49,381 sq. mi.); about the size of New York. **Cities:** *Capital:* Prague (pop. 1.2 million). *Other cities:* Bratislava (413,000), Brno (385,000), Ostrava (327,000), Kosice (220,000), Plzen (Pilsen—175,000). **Terrain:** Rolling area in wet, low mountains to the north and south, hills in the center, rugged mountains in the east. **Climate:** Temperate.

People

Nationality: *Noun and adjective—* Czechoslovak(s). **Population (1988):** 15.6 million. **Annual growth rate:** 0.25%. **Ethnic**

groups: Czech (64%), Slovak (31%), Hungarian, Polish, Ukrainian, German. **Religions:** Roman Catholic, Protestant, Orthodox, Jewish. **Languages:** Czech, Slovak, Hungarian. **Education:** *Literacy—*99%. **Health:** *Life expectancy—*males—67.5 yrs; females—75 yrs. **Work force (7.8 million):** *Agriculture—*14%. *Industry, construction, and commerce—*64%. *Services and government—*22%.

Government

Type: Socialist republic. **Independence:** Czechoslovak state established 1918. **Constitution:** July 11, 1960 (being redrafted during 1990).

Branches: *Executive—*president (chief of state), prime minister (head of government), cabinet. *Legislative—*bicameral Federal Assembly. *Judicial—*Supreme Court (1960), Constitutional Court (1968).

Political parties: With free parliamentary elections set for 1990, many new parties are emerging to challenge the Czechoslovak Communist Party for power. **Suffrage:** Universal over 18.

Administrative subdivisions: Two semiautonomous "republics"—Czech Socialist Republic (Bohemia, Moravia), Slovak Socialist Republic (Slovakia); 10 administrative districts and 2 city administrations.

Defense: 7% of 1987 state budget.

Flag: A blue triangle extending the length of the staff side, with its apex toward the center,

a white band on the upper half of the remaining space, and a red band on the lower half.

Economy

GNP (1987): \$107 billion. **Annual growth rate (1987 est.):** 2.6%. **Per capita income (1987):** \$6,900.

Natural resources: Coal, coke, timber, lignite, uranium, magnesite.

Agriculture (7% of GNP): *Products—*wheat, rye, oats, corn, barley, potatoes, sugar beets, hogs, cattle, horses.

Industry (60% of GNP): *Types—*iron and steel, machinery and equipment, cement, sheet glass, motor vehicles, armaments, chemicals, ceramics, wood, paper products.

Trade (1987): *Exports—*\$8.4 billion: machinery, iron and steel, chemicals, raw materials, consumer goods. *Imports—*\$8.4 billion: machinery, equipment, raw materials, consumer goods. **Partners—**Austria, Bulgaria, East Germany, West Germany, Hungary, Romania, Soviet Union, Yugoslavia.

Exchange rates (Jan. 1990): 38 crowns-U.S. \$1.

Membership In International Organizations

UN and its specialized agencies, Council for Mutual Economic Assistance (CEMA), Warsaw Pact.

rope may be threatened again. This is one of the painful lessons of the interwar years. The newly emancipated peoples of this region now face the long and trying labor of regenerating societies devastated by half a century of totalitarian rule.

A major part of this effort must clean up your rivers, lakes, forests, soil, and air—damaged just as badly by central planning as were your economies themselves.

Because the circumstances of each nation differ considerably, it would be a mistake to apply a mechanistic assistance formula. I believe, however, we can identify stages of economic reform to which the United States, the EC, and the other nations of the Group of 24 should tailor support.

First, some nations will need short-term emergency aid to cope with severe shortages of necessities—for example, food, medicine, and disaster relief. We will be there to break the fall. But we will seek to do so in a way that does not undercut the revitalization of homegrown solutions—especially in agriculture.

The private sector can play a key role here. For instance, the American organization, AmeriCares, has sent over \$30 million in medical supplies since 1982 to aid the people of this region. And their supplies are donated primarily from American pharmaceutical companies—over 800 of them.

Second, all the new democracies will need help in the transition from broken down Stalinist command economies to market systems driven by the engine of private enterprise. Your new Finance Minister, Vaclav Klaus, recently made a succinct statement at an international meeting that went to the heart of the problem: We don't need the old types of cooperation, he reminded an old thinking Eastern colleague, we need business!

Businesses need market prices and an opportunity to compete. It is up to you to provide a conducive legal environment, to turn over or sell factories to private owners, and to lift the heavy hand of excessive government intervention. It is up to us to help draw foreign investors, offering incentives where appropriate, and even at times to supply seed money for local private ventures. It is up to all of us to lend a hand—especially through multilateral financial support—to democratic economies struggling to manage such difficult transition problems as debt payments, stabilization of currency values, and currency convertibility.

That is exactly what we are doing for Poland and Hungary, where the United States alone has offered about \$1 billion in various assistance measures. And just

last week, President Bush asked Congress for \$300 million for assistance to Eastern Europe. While some of our assistance will be available to all, the progress a government makes in meeting the challenges I have outlined will influence the availability of the full range of aid.

Third, we must integrate the new market democracies into the international economic system. You need access to the International Monetary Fund (IMF) and World Bank resources. You need barriers to trade removed bilaterally and through the General Agreement on Tariffs and Trade (GATT) so potential investors will know they can export to other markets. You need access to high technology. To meet this need, the United States is considering with its allies adjustments in the Coordinating Committee for Multilateral Export Controls (COCOM) system that could enable you to have access to technology, provided you will protect it and forego industrial espionage.

We have been pleased the European Community has assumed a major role in coordinating economic assistance, because the availability of the EC market for the nations of central and Eastern Europe is vital. We recognize, as well, that others—including the United States, Japan, and the European Free Trade Association (EFTA) nations—should also play significant roles so the new market democracies can assume their proper independent place within the whole of Europe and the larger international system.

Czechoslovakia and other nations of Eastern Europe warrant special recognition at this historic time. Therefore, I am pleased to announce that we will support the offer of the Government of Czechoslovakia to locate the new European Bank for Reconstruction and Development (EBRD) here in Prague, in the center and heart of Europe.

I also look forward to the Bonn CSCE economic conference as an opportunity to establish European-wide adherence to market principles. If CSCE is to fulfill its potential, it needs a better developed economic component that will aid the transition to market economies and promote ongoing respect for economic liberty and open markets.

CSCE Summit

Free elections. CFE and security. Dynamic market economies.

Standing alone, each of these is important. But together they are mutually reinforcing. Together they offer an agenda

for the United States and others that want to ensure that the revolutions of 1989 become the democracies of the 1990s. Together they can help build governments that answer to only one power: the people.

This agenda draws from and builds on the CSCE framework. It should be the agenda of a CSCE summit. Therefore, the United States stands ready to participate in a 35-nation CSCE summit this year if the summit addresses three points.

One, we need to make substantial progress on the U.S. and U.K. proposal to establish a CSCE commitment to hold periodic and genuine elections. Free elections should be a human right and are the baseline requirement for establishing a new, legitimate European political order.

Two, we must complete the CFE treaty—so it can be signed at the summit—establishing new, legitimate security arrangements.

Three, we should clearly define the summit agenda based on substantive progress and possible proposals in other areas as well, including economics. This way it can prepare for, not replace, the 1992 Helsinki review meeting and demonstrate CSCE's potential for advancing reform in a new Europe. For example, we might consider how CSCE can gradually develop institutions to support its work in the three baskets, as the Federal Republic of Germany (F.R.G.) has suggested.

U.S. Bilateral Programs for Czechoslovakia

Let me say a word about our bilateral assistance program for Czechoslovakia. Under the sure guidance of the Civic Forum and the Public Against Violence, Czechs and Slovaks together have shown that no change is too rapid when it is peaceful, consolidates democratic gains, and leads to a legitimate government. Our assistance can help you continue your revolution.

In recognition of your country's dramatically changed human rights situation, I am pleased to announce that the President will notify the Congress that he is waiving the Jackson-Vanik amendment. This waiver will open the way for most-favored-nation (MFN) status for Czechoslovakia after we negotiate a trade agreement. And when Czechoslovakia's parliament passes new, liberal legislation on free emigration, the United States will declare Czechoslovakia in full compliance with Jackson-Vanik, as we have done with Hungary, so that Czechoslovakia can enjoy MFN status without the requirement of an annual waiver.

The President will also request authority for the U.S. Overseas Private Investment Corporation (OPIC) to operate in Czechoslovakia to encourage and offer financial support to private U.S. investors. And we will support your recent request to rejoin the IMF.

The United States will also:

- Support you economically by making Czechoslovakia eligible for the export-credit guarantees of our Export-Import Bank and Commodity Credit Corporation; by seeking legislation to promote technical assistance; by negotiating a bilateral investment treaty; and by coordinating this assistance with the multilateral efforts of the Group of 24;

- Support you ecologically by proposing a joint U.S.-Czechoslovak study to determine the most cost-effective way to deal with your serious air pollution problems; by encouraging you to participate in the Budapest Regional Environment Center announced by President Bush last July; and by intensifying our dialogue on all transnational issues, including the environment, drug trafficking, and terrorism; and

- Support closer ties between our peoples by increasing cultural and educational exchange programs; by beginning a Peace Corps English-language program here; by establishing U.S. Information Agency (USIA) cultural centers in Bratislava and in Prague; and, above all, by reopening our consulate in Bratislava. These steps will go far toward reestablishing our historical ties with both the Slovak and Czech peoples.

I also have one more U.S. initiative to announce today—an idea specially suited to safeguarding your democracy and those of your neighbors. It starts from the assumption that just as you have won your own freedom, so too will well-informed citizens protect freedom by setting wrong to right. As Thomas Jefferson wrote almost 200 years ago, "Where the press is free, and every man able to read, all is safe." These were and are wise words.

The United States proposes, therefore, the establishment of a fund for independent broadcasting and a free press. Our goal is to support cooperative development of commercial and nonprofit radio and television broadcasting and free press in Czechoslovakia and the rest of central and Eastern Europe. The fund would solicit participation and contributions from Western private corporations and institutions. This fund's principal purpose would be to assist groups in the region that wish to start independent radio, television, and print enterprises. The fund

could provide seed money for startup costs as well as technical assistance. It would also provide training in the United States and other Western countries in the use of equipment and development of professional broadcast and print standards.

New Associations in the Region and Europe: The Fourth Challenge

In a region that has suffered so greatly from the distortion of national interest and from international isolation, I am encouraged by the first signs of coordination and possible new association among newly democratic states. President Havel and others have opened the discussion. We recognize that the growth of legitimate multilateral organizations that reflect the economic, political, and security interests of this region will develop as they are needed, but permit me, if you will, to think out loud for a few moments.

The United States has supported voluntary associations of independent nations in every other region in the world. As in Western Europe after World War II, we believe that the process of political and economic reconstruction may be strengthened by new forms of cooperation.

We believe voluntary associations follow naturally from democracy and are, in a sense, a natural way for democracies to build international civil society and overcome old animosities. Indeed, associations may also give you additional strength to build democratic institutions at home, because the lessons and success of one may assist another.

We welcome, for example, the recent discussions of mutually beneficial economic cooperation in the region by officials of the Governments of Hungary, Poland, and Czechoslovakia, including a possible free trade agreement, free flow of capital and labor, harmonized financial systems, and a convertible accounting unit. Economic integration can enhance efficiency and growth. Common infrastructure projects can assure compatible communications, transport, and energy networks.

The purpose of such closer ties should not be to isolate the countries in association from others. Indeed, your nations have every interest in overcoming the enforced associations of the past that actually discouraged your entry into the European and global economies. No longer should the circumstances of this continent subject you to characterization as "the lands between." You can, instead, establish a region of recognition and respect. Working together, you might strengthen

your position and fashion a special relationship with the EC, the nations of EFTA, or the United States.

If you do work together, we will respect your decision by providing our assistance in a way that supports your associations. The choice of whether to associate and in what form is, of course, entirely yours to make.

A Commonwealth of Free Nations

Today in Prague and 2 months ago in Berlin, I have elaborated upon the President's vision of a Europe whole and free. I have described America's vital role in building that new Europe together with you. By respecting the principles of self-determination and democratic choice, we believe that the old divisions of Europe can be overcome. The legacy of 1938 and 1948 can be left behind, and the hopes of 1918 and 1968 can be fulfilled.

Before I came to speak to you this morning, I visited the place where, 21 years ago, Jan Palach set himself on fire to protest fear and terror. There is little that an American official can tell this audience about his sacrifice. But I know that among the students of his old university gathered here today, the student Palach would not be a lonely man.

For in affirming your dignity as individuals, you have reclaimed more than the future of your generation. In recovering your independence as Czechs and Slovaks, you have begun more than your country's historic return to Europe. You have shown that, in the words of your President, freedom is indivisible.

When the "freedom trains" bearing East German citizens pulled out of Prague last year, hundreds of your countrymen stood and cheered. But the freedom train of 1989 did not stop at the East German border or the Czechoslovak border or the Hungarian border, just as it did not stop at the border of Poland or Bulgaria or Romania or Yugoslavia.

It is the great promise of our historical moment that the return to freedom and the return to a whole Europe are bound together—and can only succeed together. And I believe the day will come when any European can stand in any European city—in Prague or Paris, in Berlin or Budapest—and see only countries of free individuals, a continent of free parliaments, a commonwealth of free nations. For as more and more people today understand in more and more places, freedom's journey is one that should never end.

President Havel was right. Politics can be the art of the impossible. ■

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THE WHITE HOUSE

Office of the Press Secretary
(Anaheim, California)

For Immediate Release

July 19, 1990

CAPTIVE NATIONS WEEK, 1990

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA
A PROCLAMATION

The end of communist domination in Eastern Europe and progress toward democratization and greater openness in the Soviet Union are signs of a new era. Ideals we Americans have long cherished and defended -- ideals of individual liberty and self-government -- are triumphing in nations that once bore the heavy yoke of totalitarianism. Human rights that were once brutally suppressed are gaining increasing respect, and political pluralism is replacing the tired dogmas of one-party rule -- dogmas that have been thoroughly discredited time and again.

With vigilance and unfailing moral resolve, we have made great strides in our efforts to promote freedom and human rights around the world. Tragically, however, there remain countries where repressive ruling regimes continue to cling to ideologies that are inimical to the ideals of national sovereignty and individual liberty. In violation of international human rights agreements and fundamental standards of morality, these regimes continue to deny innocent men and women their inalienable rights, including freedom of speech, freedom of movement and assembly, freedom of the press, and the right to practice their religious beliefs without fear of persecution.

Each July, as we celebrate our Nation's Independence and give thanks for the blessings of liberty and self-government, we also recall our obligation to speak out for captive peoples around the world. During Captive Nations Week, we reaffirm our support for peaceful efforts to secure their right to liberty and self-determination.

As more and more government leaders around the world now acknowledge, the God-given rights of individuals must be recognized in law and respected in practice. Protecting the rights and freedom to which all men are heirs is not only the duty of any legitimate government, but also the key to real and lasting peace among nations. That is one reason why, during this Captive Nations Week, we do well to recall the timeless words written by Thomas Jefferson shortly before his death in 1826 on the 50th anniversary of our Nation's Independence:

All eyes are opened, or opening, to the rights of man. The general spread of the light of science has already laid open to every view the palpable truth, that the mass of mankind has not been born with saddles on their backs, nor a favored few bootied and spurred, ready to ride them legitimately, by the grace of God. These are grounds of hope for others. For ourselves, let the annual return of this day forever refresh our recollections of these rights, and an undiminished devotion to them

more

(OVER)

The Congress, by Joint Resolution approved July 17, 1959 (73 Stat. 212), has authorized and requested the President to issue a proclamation designating the third week in July of each year as "Captive Nations Week."

NOW, THEREFORE, I, GEORGE BUSH, President of the United States of America, do hereby proclaim the week beginning July 15, 1990, as Captive Nations Week. I call upon the people of the United States to observe this week with appropriate ceremonies and activities, and I urge them to reaffirm their devotion to the aspirations of all peoples for liberty, justice, and self-determination.

IN WITNESS WHEREOF, I have hereunto set my hand this eighteenth day of July, in the year of our Lord nineteen hundred and ninety, and of the Independence of the United States of America the two hundred and fifteenth.

GEORGE BUSH

Václav Havel

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Václav Havel received the *Friedenpreis des Deutschen Buchhandels*, the Peace Prize of the German Booksellers Association, on October 15, 1989. He wrote the following as his acceptance speech.

The prize which it is my honor to receive today is called a peace prize and has been awarded to me by booksellers, in other words, people whose business is the dissemination of words. It is therefore appropriate, perhaps, that I should reflect here today on the mysterious link between words and peace, and in general on the mysterious power of words in human history.

In the beginning was the Word; so it states on the first page of one of the most important books known to us. What is meant in that book is that the Word of God is the source of all creation. But surely the same could be said, figuratively speaking, of every human action? And indeed, words can be said to be the very source of our being, and in fact the very substance of the cosmic life-form we call Man. Spirit, the human soul, our self-awareness, our ability to generalize and think in concepts, to perceive the world as the world (and not just as our locality), and lastly, our capacity for knowing that we will die—and living in spite of that knowledge: surely all these are mediated or actually created by words?

If the Word of God is the source of God's entire creation then that part of God's creation which is the human race exists as such only thanks to another of God's miracles—the miracle of human speech. And if this miracle is the key to the history of mankind, then it is also the key to the history of society. Indeed it might well be the former just because it is the latter. For the fact is that if they were not a means of communication between two or more human "I"s, then words would probably not exist at all.

All these things have been known to us—or people have at least suspected them—since time immemorial. There has never been a time when a sense of the importance of words was not present in human consciousness.

But that is not all: thanks to the miracle of speech, we know probably better than the other animals that we actually know very little, in other words we are conscious of the existence of mystery. Confronted by mystery—and at the same time aware of the virtually constitutive power of words for us—we have tried incessantly to address that which is concealed by mystery, and influence it with our words. As believers, we pray to God, as magicians we summon up or ward off spirits, using words to intervene in natural or human events. As subjects of modern civilization—whether believers or not—we use words to construct scientific theories and political ideologies with which to tackle or redirect the mysterious course of history—successfully or otherwise.

In other words, whether we are aware of it or not, and however we explain it, one thing would seem to be obvious: we have always believed in the power of

words to change history—and rightly so, in a sense.

Why "rightly so"?

Is the human word truly powerful enough to change the world and influence history? And even if there were epochs when it did exert such a power, does it still do so today?

You live in a country with considerable freedom of speech. All citizens

—not on some private printing press but with a squeaky, antediluvian duplicator. Not long before, my friend Ivan Jirous was sentenced to sixteen months' imprisonment for berating, on a type-writer, something that is common knowledge: that our country has seen many judicial murders and that even now it is possible for a person unjustly convicted to die from ill-treatment in prison. My friend Petr Cibulka is in

of government, where words can prove mightier than ten military divisions, where Solzhenitsyn's words of truth were regarded as something so dangerous that it was necessary to bundle their author into an airplane and transport him. Yet, in the part of the world I inhabit the word Solidarity was capable of shaking an entire power bloc.

All that is true. Reams have been written about it and my distinguished predecessor in this place, Lev Kopelev,* spoke about it also.

But it is a slightly different matter that concerns me here. It is not my intention solely to speak about the incredible importance that unfettered words assume in totalitarian conditions. Nor do I wish to demonstrate the mysterious power of words by pointing exclusively to those countries where a few words can count for more than a whole train of dynamite somewhere else.

I want to talk in more general terms and consider the wider and more controversial aspects of my topic.

We live in a world in which it is possible for a citizen of Great Britain to find himself the target of a lethal arrow aimed—publicly and unashamedly—by a powerful individual in another country merely because he had written a particular book. That powerful man apparently did it in the name of millions of his fellow believers. And moreover, it is possible in this world that some portion of those millions—one hopes only a small portion—will identify with the death sentence pronounced.

What's going on? What does it mean? Is it no more than an icy blast of fanaticism, oddly finding a new lease on life in the era of the various Helsinki agreements, and oddly resuscitated by the rather crippling results of the rather crippling Europeanization of worlds which initially had no interest in the import of foreign civilization, and on account of that ambivalent commodity ended up saddled with astronomical debts they can never repay?

It certainly is all that.

But it is something else as well. It is a symbol.

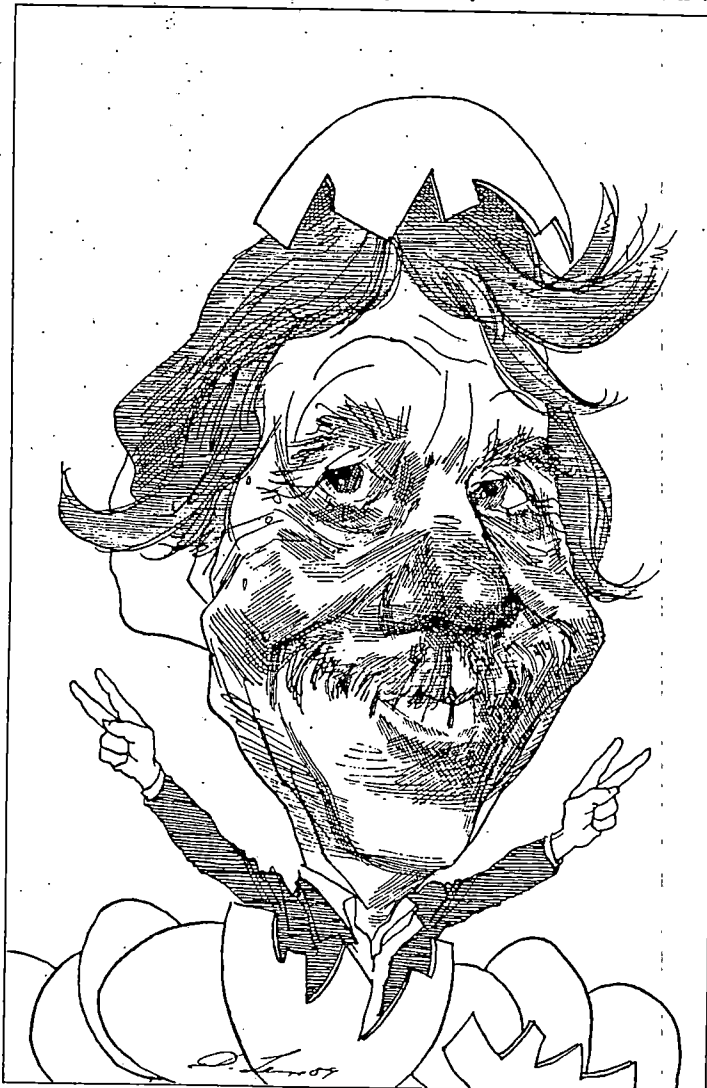
It is a symbol of the mysteriously ambiguous power of words.

In truth, the power of words is neither unambiguous nor clear-cut. It is not merely the liberating power of Walesa's words or the alarm-raising power of Sakharov's. It is not just the power of Rushdie's—clearly misconstrued—book.

The point is that alongside Rushdie's words we have Khomeini's. Words that electrify society with their freedom and truthfulness are matched by words that mesmerize, deceive, inflame, madden, beguile, words that are harmful—lethal, even. The word as arrow.

I don't think I need to go to any lengths to explain to you of all people the diabolic power of certain words: you have fairly recent first-hand experience of what indescribable historical horrors can flow, in certain political and social constellations, from the hypnotically spellbinding, though totally demented,

*Lev Kopelev received the Peace Prize of the German Booksellers Association in 1981.



without exception can avail themselves of that freedom for whatever purpose, and no one is obliged to pay the least attention, let alone worry their heads over it. You might, therefore, easily get the impression that I overrate the importance of words quite simply because I live in a country where words can still land people in prison.

Yes, I do live in a country where the authority and radioactive effect of words are demonstrated every day by the sanctions which free speech attracts. Just recently, the entire world commemorated the bicentenary of the great French Revolution. Inevitably we recalled the famous Declaration of the Rights of Man and of Citizens, which states that every citizen has the right to own a printing press. During the same period, i.e., exactly two hundred years after that Declaration, my friend Frantisek Stárek was sent to prison for two-and-a-half years for producing the independent cultural journal *Vokno*

prison for distributing samizdat texts and recordings of nonconformist singers and bands.

Yes, all that is true. I do live in a country where a writers' congress or some speech at it is capable of shaking the system. Could you conceive of something of the kind in the Federal Republic of Germany? Yes, I live in a country which, twenty-one years ago, was shaken by a text from the pen of my friend Ludvík Vaculík. And as if to confirm my conclusions about the power of words, he entitled his statement: "Two Thousand Words." Among other things, that manifesto served as one of the pretexts for the invasion of our country one night by five foreign armies. And it is by no means fortuitous that as I write these words, the present regime in my country is being shaken by a single page of text entitled—again as if to illustrate what I am saying—"A few words." Yes, I really do inhabit a system in which words are capable of shaking the entire structure

words of a single, average, petit bourgeois. Admittedly I fail to understand what it was that transfixed a large number of your fathers and mothers, but at the same time I realize that it must have been something extremely compelling as well as extremely insidious if it was capable of beguiling, albeit only briefly, even that great genius who lent such modern and penetrating meaning to the words: "Sein," "Da-Sein," and "Existenz."

The point I am trying to make is that words are a mysterious, ambiguous, ambivalent, and perfidious phenomenon. They are capable of being rays of light in a realm of darkness, as Belinsky once described Ostrovsky's *Storm*. They are equally capable of being lethal arrows. Worst of all, at times they can be the one and the other. And even both at once!

The words of Lenin—what were they? Liberating or, on the contrary, deceptive, dangerous, and ultimately enslaving? This is still a bone of contention among aficionados of the history of communism and the controversy is likely to go on raging for a good while yet. My own impression of these words is that they were invariably frenzied.

And what about Marx's words? Did they serve to illuminate an entire hidden plane of social mechanisms, or were they just the inconspicuous germ of all the subsequent appalling gulags. I don't know: most likely they are both at once.

And what about Freud's words? Did they disclose the secret cosmos of the human soul, or were they no more than the fountainhead of the illusion now numbing half of America that it is possible to shed one's torments and guilt by having them interpreted away by some well-paid specialist?

But I'd go further and ask an even more provocative question: What was the true nature of Christ's words? Were they the beginning of an era of salvation and among the most powerful cultural impulses in the history of the world—or were they the spiritual source of the crusades, inquisitions, the cultural extermination of the Americas, and, later, the entire expansion of the white race that was fraught with so many contradictions and had so many tragic consequences, including the fact that most of the human world has been consigned to that wretched category known as the "Third World"? I still tend to think that His words belonged to the former category, but at the same time I cannot ignore the umpteen books that demonstrate that, even in its purest and earliest form, there was something unconsciously encoded in Christianity which, when combined with a thousand and one other circumstances, including the relative permanence of human nature, could in some way pave the way spiritually, even for the sort of horrors I mentioned.

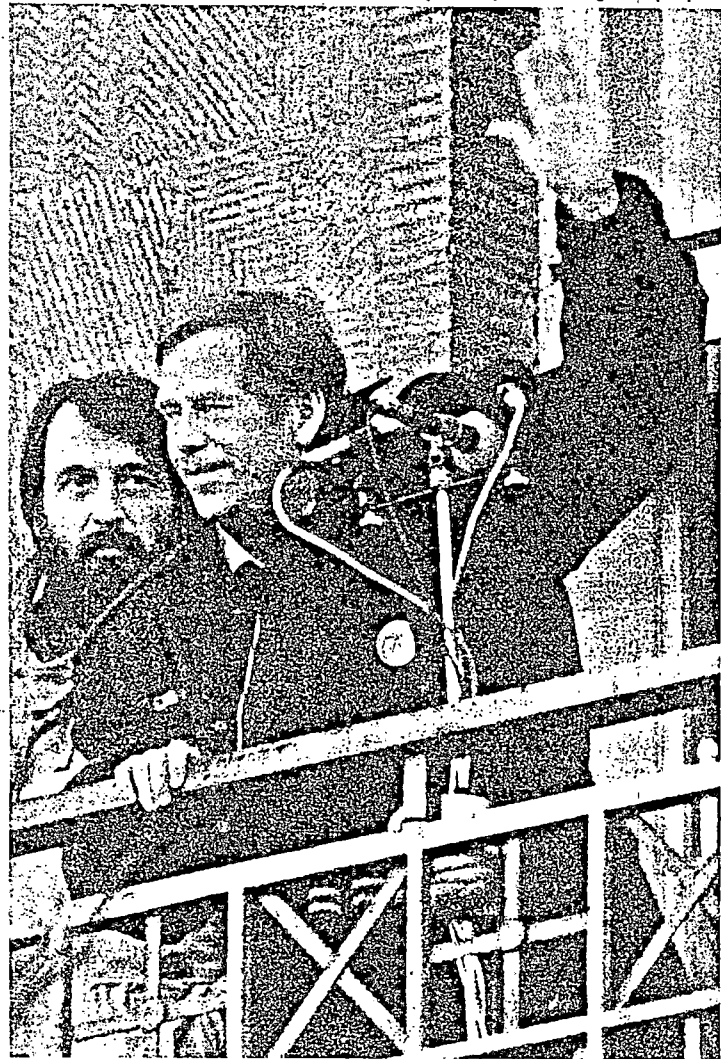
Words can have histories too.

There was a time, for instance, when, for whole generations of the downtrodden and oppressed, the word socialism was a mesmerizing synonym for a just world, a time when, for the ideal expressed in that word, people were capable of sacrificing years and years of their lives, and their very lives even. I don't know about your country, but in mine, that particular word—"socialism"—was transformed long ago into just an ordinary truncheon used by certain cynical, parvenu bureaucrats to bludgeon their liberal-minded fellow citizens from morning until night, labeling them "enemies of socialism" and

"antisocialist forces." It's a fact: in my country, for ages now, that word has been no more than an incantation that should be avoided if one does not wish to appear suspect. I was recently at an entirely spontaneous demonstration, not dissident-organized, protesting the sell-off of one of the most beautiful parts of Prague to some Australian millionaires. When one of the speakers there, loudly decrying the project, sought to bolster his appeal to the government by declaring that he was fighting for his home in the name of socialism, the crowd started to laugh. Not because they had anything against a just social order, but quite simply because they heard a word which has been

selfsame word can, at one moment, radiate great hopes, at another, it can emit lethal rays. The selfsame word can be true at one moment and false the next, at one moment illuminating, at another, deceptive. On one occasion it can open up glorious horizons, on another, it can lay down the tracks to an entire archipelago of concentration camps. The selfsame word can at one time be the cornerstone of peace, while at another, machine-gun fire resounds in its every syllable.

Gorbachev wants to save socialism through the market economy and free speech, while Li Peng protects socialism by massacring students, and Ceaușescu by bulldozing his people.



Václav Havel waves to a crowd of hundreds of thousands of Czechs on December 10, moments before announcing the new government

incanted for years and years in every possible and impossible context by a regime that only knows how to manipulate and humiliate people.

What a weird fate can befall certain words! At one moment in history, courageous, liberal-minded people can be thrown into prison because a particular word means something to them, and at another moment, people of the selfsame variety can be thrown into prison because that word has ceased to mean anything to them, because it has changed from a symbol of a better world into the mumbo jumbo of a doltish dictator.

No word—at least not in the rather metaphorical sense I am employing the word "word" here—comprises only the meaning assigned to it by an etymological dictionary. The meaning of every word also reflects the person who utters it, the situation in which it is uttered, and the reason for its utterance. The

What does that word actually mean on the lips of the one and the lips of the other two? What is this mysterious thing that is being rescued in such disparate ways?

I referred to the French Revolution and that splendid declaration that accompanied it. That declaration was signed by a gentleman who was later among the first to be executed in the name of that superbly humane text. And hundreds and possibly thousands followed him. *Liberté, Egalité, Fraternité*—what superb words! And how terrifying their meaning can be. Freedom: the shirt unbuttoned before execution. Equality: the constant speed of the guillotine's fall on different necks. Fraternity: some dubious paradise ruled by a Supreme Being!

The world now reechoes to the wonderfully promising word "perestroika."

We all believe that it harbors hopes for Europe and the whole world.

I am bound to admit, though, that I sometimes shudder at the thought that this word might become just one more incantation, and in the end turn into yet another truncheon for someone to beat us with. It is not my own country I am thinking of: when our rulers utter that word it means about the same as the word "our monarch" when uttered by the Good Soldier Svejk. No, what I have in mind is the fact that even the intrepid man who now sits in the Kremlin occasionally, and possibly only from despair, accuses striking workers, rebellious nations or national minorities, or holders of rather too unusual minority or national minorities, or holders of rather too unusual minority opinions, of "jeopardizing perestroika." I can understand his feelings. It is terribly difficult to fulfill the enormous task he has undertaken. It all hangs by the finest of threads and almost anything could break that thread. Then we would all fall into the abyss. But even so I cannot help wondering whether all this "new thinking" does not contain some disturbing relics of the old. Does it not contain some echoes of former stereotyped thinking and the *ancien régime's* verbal rituals? Isn't the word perestroika starting to resemble the word socialism, particularly on the odd occasion when it is discreetly hurled at the very people who, for so long, were unjustly lambasted with the word socialism?

Your country made an enormous contribution to modern European history. I refer to the first wave of détente: the celebrated "*Ostpolitik*."

But even that word managed at times to be well and truly ambivalent. It signified, of course, the first glimmer of hope of a Europe without cold wars or iron curtains. At the same time—unhappily—there were also occasions when it signified the abandonment of freedom: the basic precondition for all real peace. I still vividly recall how, at the beginning of the Seventies, a number of my West German colleagues and friends avoided me for fear that contact with me—someone out of favor with the government here—might needlessly provoke that government and thereby jeopardize the fragile foundations of nascent détente. Naturally I am not mentioning it on account of myself personally, let alone out of any sort of self-pity. After all, even in those days it was rather I who pitied them, since it was not I but they who were voluntarily renouncing their freedom. I mention it only in order to demonstrate yet again from another angle how easy it is for a well-intentioned cause to be transformed into the betrayal of its own good intentions—and yet again because of a word whose meaning does not seem to have been kept under adequate observation. Something like that can happen so easily that it almost takes you unawares: it happens inconspicuously, quietly, by stealth—and when at last you realize it, there is only one option left to you: belated astonishment.

However, that is precisely the fiendish way that words are capable of betraying us—unless we are constantly circumspect about their use. And frequently—alas—even a fairly minor and momentary lapse in this respect can have tragic and irreparable consequences, consequences far transcending

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the nonmaterial world of mere words and penetrating deep into a world that is all too material.

I'm finally getting around to that beautiful word "peace."

For forty years now I have read it on the front of every building and in every shop window in my country. For forty years, an allergy to that beautiful word has been engendered in me as in every one of my fellow citizens because I know what the word has meant here for the past forty years: ever mightier armies ostensibly to defend peace.

In spite of that lengthy process of systematically divesting the word "peace" of all meaning—worse than that, investing it instead with quite the opposite meaning to that given in the dictionary—a number of Don Quixotes in Charter 77 and several of their younger colleagues in the Independent Peace Association have managed to rehabilitate the word and restore its original meaning. Naturally, though, they had to pay a price for their "semantic perestroika"—i.e., standing the word "peace" back on its feet again: almost all the youngsters who fronted the Independent Peace Association were obliged to spend a few months inside for their pains. It was worth it, though. One important word has been rescued from total debasement. And it is not just a question of saving a word, as I have been trying to explain throughout my speech. Something far more important is saved.

The point is that all important events in the real world—whether admirable or monstrous—are always spearheaded in the realm of words.

As I've already stated, my intention here today is not to convey to you the experience of one who has learned that words still count for something when you can still go to prison for them. My intention was to share with you another lesson that we in this corner of the world have learned about the importance of words. I am convinced it is a lesson which has universal application: namely, that it always pays to be suspicious of words and to be wary of them, and that we can never be too careful in this respect.

There can be no doubt that distrust of words is less harmful than unwarranted trust in them.

Besides, to distrust words, and indict them for the horrors that might slumber unobtrusively within them—isn't this, after all, the true vocation of the intellectual? I recall that André Glucksmann, the dear colleague who preceded me here today, once spoke in Prague about the need for intellectuals to emulate Cassandra: to listen carefully to the words of the powerful, to be

watchful of them, to forewarn of their danger, and to proclaim their dire implications or the evil they might invoke.

There is something that should not escape our attention and it concerns the fact that for centuries we—the Germans and the Czechs—had all sorts of problems with living together in Central Europe. I cannot speak for you, but I think I can rightly say that as far as we Czechs are concerned, the age-old animosities, prejudices and passions, constantly fuelled and fanned in numerous ways over the centuries, have evaporated in the course of recent decades. And it is by no means coincidental that this has happened at a time when we have been saddled with a totalitarian regime. Thanks to this regime we have developed a profound distrust of all generalizations, ideological platitudes, clichés, slogans, intellectual stereotypes, and insidious appeals to various levels of our emotions, from the baser to the loftier. As a result, we are now largely immune to all hypnotic enticements, even of the traditionally persuasive national or nationalistic variety. The stifling pall of hollow words that have smothered us for so long has cultivated in us such a deep mistrust of the world of deceptive words that we are now better equipped than ever before to see the human world as it really is: a complex community of thousands of millions of unique, individual human beings in whom hundreds of beautiful characteristics are matched by hundreds of faults and negative tendencies. They must never be lumped together into homogeneous masses beneath a welter of hollow clichés and sterile words and then en bloc—as "classes," "nations," or "political forces"—extolled or denounced, loved or hated, maligned or glorified.

This is just one small example of the good that can come from treating words with caution. I have chosen the example especially for the occasion, i.e., for the moment when a Czech has the honor to address an audience that is overwhelmingly German.

In the beginning of everything is the word.

It is a miracle to which we owe the fact that we are human.

But at the same time it is a pitfall and a test, a snare and a trial.

More so, perhaps, than it appears to you who have enormous freedom of speech, and might therefore assume that words are not so important.

They are.

They are important everywhere.

The selfsame word can be humble at one moment and arrogant the next. And a humble word can be transformed quite easily and imperceptibly into an

arrogant one, whereas it is a very difficult and protracted process to transform an arrogant word into one that is humble. I tried to demonstrate this by referring to the fate of the word "peace" in my country.

As we approach the end of the second millennium, the world, and particularly Europe, finds itself at a peculiar crossroads. It is a long time since there were so many grounds for hoping that everything will turn out well. At the same time, there have never been so many reasons for us to fear that if everything went wrong the catastrophe would be final.

It is not hard to demonstrate that all the main threats confronting the world today, from atomic war and ecological disaster to social and civilizational catastrophe—by which I mean the widening gulf between rich and poor individuals and nations—have hidden within them just one root cause: the imperceptible transformation of what was originally a humble message into an arrogant one.

Arrogantly, Man started to believe that, as the pinnacle and lord of creation, he had a total understanding of nature and could do what he liked with it.

Arrogantly, he started to think that as the possessor of reason he was capable of understanding totally his own history and therefore of planning a life of happiness for all. This even gave him the right, in the name of an ostensibly better future for all—to which he had found the one and only key—to sweep from his path all those who did not fall for his plan.

Arrogantly he started to think that since he was capable of splitting the atom he was now so perfect that there was no longer any danger of nuclear arms rivalry, let alone nuclear war.

In all those cases he was fatally mistaken. That is bad. But in each case he is already beginning to realize his mistake. And that is good.

Having learned all those lessons, we should all fight together against arrogant words and keep a weather eye out for any insidious germs of arrogance in words that are seemingly humble.

Obviously this is not just a linguistic task. Responsibility for and toward words is a task which is intrinsically ethical.

As such, however, it is situated beyond the horizon of the visible world, in that realm wherein dwells the Word that was in the beginning and is not the word of Man.

I won't explain why this is so. It has been explained far better than I ever could by your great forebear Immanuel Kant.

□

—Hrádec, July 25, 1989

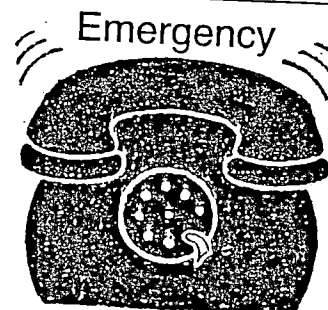
If there's a pain in your chest, be a pain in the neck.

Complain to a doctor.

Chest pain could be a sign of heart disease. The sooner you see your doctor, the better your chances for life.



American Heart Association



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NATIONAL ANTHEM

The Polish national anthem is popularly known as *Dąbrowski's Mazurka*. It was composed in 1797 by Józef Wybicki in Reggio (Italy) in 1797, for the Polish Legions established by gen. Henryk Dąbrowski with consent from gen. Bonaparte. But shortly it gained a popularity and was generally sung by people living in all three parts of partitioned Poland. It was sung both during national uprisings and various patriotic demonstrations. Soldiers of World War I also sang it and in 1918 it became an unofficial national anthem.

The lyrics of the hymn, called *Mazurka* after a folk dance, were repeatedly changed, their final version being officially approved in 1926 when it was officially proclaimed Poland's national anthem.

Dąbrowski's *Mazurka* had had no predecessors. During the reign of the Piast dynasty

there was no song which would function as an anthem, while under the Jagiellonian dynasty such role was partly played by *Bogurodzica* (Mother of God) which was sung in the Battle of Grunwald in 1410, and the Battle of Varna in 1444. So it was part a religious hymn and part a combat song. In the 16th century it stopped being a combat song and was performed only during state ceremonies. Most probably it became the dynastic hymn of the Jagiellonians. After the death of the last of the dynasty it was sung only in churches.

In the years of the Partitions and after the regaining of independence in 1918, Dąbrowski's *Mazurka*, whose opening lines are *Poland has not yet perished, as long as we live* was sung as a national anthem. It was officially proclaimed in 1926.

In 1978 a Museum of National Anthem opened in Będzin near Kościerzyna, the birthplace of J. Wybicki.

POLISH NATIONAL ANTHEM

1. Poland will not be lost
until we live.
We will fight for everything that our enemies
had taken from us.

March, march Dąbrowski,
from Italy to Poland!
Under your command
we will unite.

2. We will cross the Vistula and Warta Rivers,
we will be Poles,
Bonaparte showed us how to win.

March, march Dąbrowski . . .

3. Like Czarniecki to Poznań
after Swedish annexation
we will come back across the sea
to save our motherland.

March, march Dąbrowski . . .

4. Father says to his wife Basia in tears:
"listen only, apparently our people are
beating the kettle - drums".

March, march Dąbrowski . . .



2

THE WHITE HOUSE

Office of the Press Secretary
London, England

For Immediate Release

July 8, 1990

FACT SHEET

Checklist of Key Initiatives in the
London Declaration

The London Declaration includes nineteen initiatives to set a new course for the North Atlantic Alliance and help shape the new Europe. They fall into four broad categories, as follows:

1. Reaching out to old adversaries

- pledge "never in any circumstance" to be "the first to use force."
- propose a joint declaration of NATO and Warsaw Pact member states making a commitment to non-aggression, open to other CSCE states.
- invite Gorbachev and other Eastern leaders to address the North Atlantic Council.
- invite Warsaw Pact member governments to establish regular diplomatic liaison with NATO.
- intensify military-to-military contacts, including visits by NATO military commanders to Eastern capitals.

2. Change character of conventional defense

- keep CFE in session until treaty is done.
- pledge that follow-on talks will include measures to limit military manpower in Europe and, with this goal in mind, a commitment will be made at time of CFE signing concerning the manpower levels of forces of a united Germany.
- look beyond CFE to a new conventional arms control negotiations which will seek "further far-reaching measures in the 1990s to limit the offensive capability of conventional armed forces in Europe, so as to prevent any nation from maintaining disproportionate military power on the continent."

(K)

- move away from 'forward defense' and field smaller and restructured active forces that are more flexible, scaling back readiness of active units, reducing number of exercises and relying more heavily on the ability to build up larger forces if and when they might be needed.
- rely increasingly on multinational corps made up of national units.

3. Adopt a new NATO nuclear strategy

- Adopt a new nuclear strategy
- propose to eliminate all NATO nuclear artillery shells from Europe, once SNF negotiations begin, if the Soviet Union will reciprocate.
- modify 'flexible response' to reduce reliance on nuclear weapons and adopt a new strategy making nuclear forces truly weapons of last resort.

4. Help build a Europe whole and free through strengthening the CSCE

- agree that CSCE Summit should endorse new standards for free societies on free elections, the rule of law, economic cooperation, and environmental protection.
- set up regular consultations at ministerial or head of government level at least once each year.
- schedule major review conferences at least once every two years.
- establish a secretariat to coordinate the meetings and conferences.
- set up a mechanism to monitor elections.
- create a center for the prevention of conflict.
- form a CSCE parliament, the Assembly of Europe.