

Originally Processed With FOIA(s):
S; 1998-0194-F

FOIA Number:

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Davis, Mark, Files
Subseries: Subject File, 1989-1991

OA/ID Number: 13871
Folder ID Number: 13871-013

Folder Title:
Hungary, 10/26/89

Stack:	Row:	Section:	Shelf:	Position:
G	19	2	6	4

Oct. 25, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

Through: CHRISS WINSTON
From: MARK DAVIS
Subject: Signing ceremony/Hungary trade status

SUMMARY: You will sign two documents tomorrow at 10 a.m. in the Rose Garden, informing the Secretary of State and Congress that Hungary has met the requirements of U.S. law, qualifying for permanent Most Favored Nation treatment. Your brief remarks, which will precede the signing ceremony, will be on cards.

DISCUSSION: In Budapest you offered many economic, cultural and environmental proposals to support the process of reform. This speech assesses how much progress has been made on these proposals since your visit. It also gives a teaser for Monday's announcement for an economic mission to Poland, and offers moral support for the brave, but peaceful, protesters of East Germany.

Davis/Martin
Oct. 25, 1989
Title: Hungary
Draft: Two

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 10 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube, \\ only I called it a Rubik's Cone. \\ But I don't feel bad about it. \\ After all, I wound up puzzling more people than Mister Rubik himself.))

It was my privilege to return to Hungary last summer, and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of ideology, forever.

I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and I submitted this proposal to Congress in September.

I promised a \$5 million fund to open an environmental center for Central and Eastern Europe in Budapest, so that East and West can cooperate on our shared natural heritage; and I also submitted this proposal to Congress in September.

I promised to stimulate American business investment in Hungary by extending the business insurance of the Overseas Investment Corporation to Hungary. Ambassador Fred Zeder, President and CEO of OPIC, led a delegation to Hungary two weeks ago to plan for operations to begin once the corporation receives enabling legislation from the Senate.

I promised \$6 million for cultural and educational exchange programs. This program is also ready for action by Congress.

I promised to bring Radio Free Europe to Hungary. And on September 9, Radio Free Europe opened its first station in Eastern Europe in Budapest.

I also promised to instruct the Peace Corps to make its first European mission to Hungary, to teach English in every county of that nation. Peace Corps Director Paul Coverdall recently led a delegation to Hungary to plan this mission. I have also dispatched Commerce Secretary Bob Mosbacher, EPA Director William Reilly, USIA Director Bruce Gelb and others to Hungary to discover ways our government can support reform.

But the promises I made to the Hungarian people really reflect one overarching commitment: America is ready to invest in a partnership with the world's newest republic; a partnership to build a common future of freedom and prosperity.

Nowhere is this commitment more evident than in today's ceremony. For today we mark the fulfillment of yet another pledge I made to the people of Hungary. I promised that as soon as the Hungarian Parliament liberalized its emigration laws, I would notify Congress that Hungary meets all the requirements of U.S. law to qualify for permanent Most Favored Nation treatment.

On September 26, Hungary fulfilled its part of the bargain. I am here to fulfill ours. In a few moments, I will sign two documents -- advising the Secretary of State and Congress that Hungary meets our emigration criteria. With my signature, these documents will grant Hungary the most liberal trade treatment under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

Hungary is already starting to enjoy tangible results of our commitment to support reform. In September, an American corporation purchased 100 percent of an Hungarian trading firm -- the first such total acquisition in Eastern European history. ((Another example to come.))

But today's action represents something far greater than a mere trade agreement. It signals the recognition that a quiet revolution is taking place in thousands of shops, farms and factories. It signals the rebirth of Hungary as an entrepreneurial nation.

Our measure will, of course, grant these new Hungarian entrepreneurs access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than

just blue jeans and fine wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national courage with wonder and admiration and something more -- a willingness to help.

Just as we are helping the people of Hungary today, so we are determined to assist wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they will get it -- starting with this Administration's commitment to provide a grant worth \$200 million as our contribution to the Polish request for a \$1 billion stabilization grant from the West. ((And on Monday, I will announce a U.S. mission to Warsaw of officials, businessmen and economic experts to determine how this fund can best serve the cause of reform.))

We are not passive observers, but active supports of reform. For we know that we are privileged to participate in a very special moment in human history. Never before have repressive, centralized, regimes attempted the transformation into pluralistic democracies with market economies. In Budapest, a

boy waves the flag of his nation -- with the hammer and sickle removed. Remarkable. In Warsaw, a dissident who once languished in a dungeon now presides over Parliament. Incredible. In East Germany, thousands of courageous men and women march arm-in-arm through the streets of Leipzig to make a peaceful stand for freedom. Inspiring. It is in these amazing scenes that we see a portrait of the indomitable spirit of Man.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two documents to grant Hungary Most Favored Nation status.

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are encouraged that there has been a change of leadership in East Germany. But we cannot ignore the leadership of the East German public, best seen in the peaceful protests of the people of

Leipzig.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 4, 1989

STATEMENT BY THE PRESS SECRETARY

The world has watched with wonder as Poland has moved -- swiftly and peacefully -- to form a new government under Prime Minister Mazowiecki, the first non-Communist government in Eastern Europe in more than forty years. We salute Prime Minister Mazowiecki, President Jaruzelski, Solidarity leader Lech Walesa and so many other distinguished Polish leaders for their courage and wisdom in helping bring about a new beginning for Poland.

From the very start of this Administration, President Bush has taken the lead in supporting reform in Poland and Hungary. At Hamtramck, Michigan, in April, on the day of the signing of the Roundtable Agreement in Poland, the President announced a set of measures to open U.S. markets and encourage private sector loans and investments. In July, he visited Poland and Hungary and spoke before the Polish parliament, as well as to a massive gathering at the Solidarity monument in Gdansk. He announced a further comprehensive package of assistance measures to support Poland's economic and political regeneration, a package which took account of the fact that Poland did not yet have its new government or its new economic policies in place. He announced a similar program during his visit to Hungary, which is also embarked on a promising path of political and economic reform. A few days later, at the Paris Economic Summit, the President proposed and our Summit partners agreed to a plan for concerted Western action to encourage and assist economic reform and democratic change in Poland and Hungary.

In early September, the Administration submitted to Congress a comprehensive legislative proposal that would create a \$100 million Enterprise Fund for Poland and a \$25 million Fund for Hungary, as well as a Labor Initiative and an Environmental Initiative together totalling \$20 million. In addition to this \$145 million proposal, and other initiatives taken by reprogramming existing resources, we have offered \$100 million in emergency food aid to Poland in the coming fiscal year, in addition to \$8 million in FY 89. In dollar terms, this total package already involves over \$250 million.

We have also moved to encourage new trade and investment, by proposing that Congress grant both Poland and Hungary access to the U.S. Generalized System of Preferences and that it authorize the Overseas Private Investment Corporation (OPIC) to operate in both countries. On September 18, the President

announced that he would grant Hungary permanent Most Favored Nation status, contingent upon passage by the Hungarian parliament of new emigration legislation, which has since occurred.

We have engaged the resources and creativity of the private sector, recognizing that the U.S. Government alone could not, and should not, render all the support Poland and Hungary require. On the eve of his trip to those countries in July, the President hosted a White House Symposium in which he urged leaders from the American private sector -- labor leaders, businessmen, educators, and others -- to be actively engaged in supporting economic and political change in Eastern Europe. Labor Secretary Dole visited Poland in August and signed an agreement providing for U.S. technical assistance and bilateral exchanges in the labor field. In mid-September, Commerce Secretary Mosbacher led a U.S. investment mission to Poland and Hungary, where he and American businessmen developed concrete proposals to encourage new private investments, joint ventures, and other forms of expanded U.S. business involvement in redeveloping these two economies.

The dramatic changes in Poland over the past two months have lent new urgency to our efforts. What Poland is doing is historic, in the largest sense of the word. It holds the promise not only of a peaceful transition to democratic rule in Poland, but also of the beginning of the end of Europe's division, toward a Europe whole and free. It is also unprecedented: never before has a country attempted a successful transformation of a state-controlled economic and political system into one of political pluralism, democracy and a market economy. The new Polish government under Prime Minister Mazowiecki has a chance to consolidate the public trust that is needed for the difficult economic steps ahead, but it faces major economic problems.

There is no disagreement that both Poland and Hungary need, and will have, strong U.S. support. There is no disagreement that the U.S. needs to play a leading role in developing a concerted Western approach to Poland's economic recovery. The question is how best to achieve our goal. We believe, as do our Western economic partners, that Poland can best go forward by reforming its economy and becoming creditworthy again by reaching early agreement with the IMF on an economic reform plan. We also support a prompt and generous Paris Club rescheduling of Poland's international debt. This, along with agreement with the IMF, will make Poland eligible for IMF and World Bank loans totalling hundreds of millions of dollars annually. It will also give confidence to official and commercial lenders and to investors, whose participation in Poland's recovery is vital.

Poland is taking important steps toward reforming its economy. The Administration had a series of meetings last week with key Ministers in the new Polish government and reviewed the outlines of their economic reform program. It is an ambitious and bold

plan, calling for radical economic reform and rapid movement toward agreement with the IMF. An integral part of the plan is an urgent request for Western economic assistance in helping to stabilize the Polish economy as reforms are implemented. In the context of an agreement with the IMF, the Poles seek, in addition to IMF and World Bank support, \$1 billion in stabilization funds from the Western industrialized countries.

In response to Poland's request, the President has decided on two major new steps.

He will ask Congress to approve a \$200 million grant for stabilization purposes, which would be the U.S. contribution to the \$1 billion in Western assistance the Poles have requested. The grant would be contingent upon conclusion of an IMF agreement, and upon the recommendations of an experts' mission that the President will send to Poland soon. The U.S. will be working closely with the Summit Seven and its other allies to make certain that the entire \$1 billion is available to Poland for this stabilization fund since the concept can be effective only if the fund is fully financed. A program for use of the \$200 million U.S. contribution will be developed with the Polish government. The President wants to work with Congress to develop a strong bipartisan approach toward the common goal of providing prompt and effective support to the government and people of Poland.

It is important to complete development of a strategy to assist Poland's recovery. Toward that end, the President will send to Warsaw within the next few weeks a Presidential Mission including senior U.S. officials, business leaders and experts to discuss with the Polish government its economic plans and evaluate its needs. This mission will make recommendations to the President based on their own findings and their deliberations with experts from the twenty-four nation "Group for Economic Assistance to Poland and Hungary" as to the most effective use of the \$1 billion stabilization fund. This mission will also focus on those economic sectors where U.S. expertise and experience can be of greatest assistance -- agriculture, business management, financial services and others, pinpointing areas for reform and for productive use of assistance resources. The Congress can certainly be helpful in this endeavor. This initial mission will be followed by experts' missions in key economic sectors. In addition, Administration economists will examine urgently the structural economic challenges Poland will face now and in the years ahead so that we can provide the most effective help possible to the Polish government.

As the President has said, the futures of Poland and Hungary depend on concerted and sustained Western action. These efforts must be complementary, not duplicative, and must be coordinated with the efforts of the IMF and World Bank. That is why the President called on our G-7 economic partners at the Paris

Economic Summit to establish new mechanisms for coordinating our efforts. The resulting 24-nation group has already met three times under the chairmanship of the EC Commission. The EC on October 3 committed itself to \$330 million in additional assistance, over and above the \$271 million in emergency food aid already pledged by the U.S., the EC and other donors. It has also begun to develop a common assistance strategy for Poland and Hungary, along with working groups on food aid, environment, manpower training and other specific areas of assistance. The goal is to set clear priorities, avoid redundant efforts and assume maximum aid effectiveness.

West Germany, France, Britain, Japan, and several other countries have already announced their intention to provide substantial bilateral assistance. The IMF has indicated it will move quickly in assisting Poland to develop an overall economic stabilization and reform program, and the World Bank is prepared to extend promptly major new credits once an IMF program is in place, and to develop additional loans.

Finally, in order to continue the dialogue with Poland's leaders that he began in July, the President is inviting President Jaruzelski and Prime Minister Mazowiecki to visit Washington at times convenient for each of them.

These are the steps the Administration has taken and will be taking in support of democratic change in Poland and Hungary: economic assistance conditioned upon real progress toward reform, business and technical assistance, the opening of investment and trade opportunities, and concerted Western action in conjunction with other industrialized democracies and the international financial institutions. These combined measures constitute an international recovery program that provides broad and substantial Western support for the historic changes now underway in Poland and Hungary.

#

Davis/Martin
Oct. 25, 1989
Title: Hungary
Draft: Two

1989 OCT 25 PM 3.27

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 10 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

~~((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser~~

Ladies and gentlemen, welcome. When I visited Budapest in July, I spoke at Karl Marx University before a large group of students, faculty, and entrepreneurs. It was an ironic setting, but a fitting one, for a country embarked on an unprecedented process of transforming a centrally controlled economic and political system into one of free markets and democratic pluralism.

In that speech, I pledged my strong support to this process of democratic change in Hungary. I said I would ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, \$5 million to open an environmental center for central and eastern Europe in Budapest, and another \$6 million for a wide range of cultural and exchange programs. I submitted all these proposals to Congress in early September, and am pleased that they will soon become reality -- America's investment in Hungary's future.

~~saw a burning idealism, a determination to escape the dead hand of ideology, forever.~~

We are working vigorously to ensure Congressional action

~~I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and I submitted this proposal to Congress in September.~~

~~I promised a \$5 million fund to open an environmental center for Central and Eastern Europe in Budapest, so that East and West can cooperate on our shared natural heritage; and I also submitted this proposal to Congress in September.~~

I promised to stimulate American business investment in Hungary by extending the business insurance of the Overseas Investment Corporation to Hungary. Ambassador Fred Zeder, President and CEO of OPIC, led a delegation to Hungary two weeks ago to plan for operations to begin once the corporation receives enabling legislation from the Senate.

Private

~~I promised \$6 million for cultural and educational exchange and private investment mission to Hungary, ~~for~~ programs. This program is also ready for action by Congress.~~

~~encouraging concrete steps toward new ventures. I promised to bring Radio Free Europe to Hungary. And on~~

September 9, Radio Free Europe opened its first station in Eastern Europe in Budapest.

I also ~~promised to instruct~~ the Peace Corps ~~to~~ make its first European mission to Hungary, to teach English in every county of that nation. Peace Corps Director Paul Coverdall recently led a delegation to Hungary to plan this mission. I

~~have also dispatched Commerce Secretary Bob Mosbacher, EPA Director William Reilly, and USIA Director Bruce Gelb and others to missions to Hungary to discover ways our government can support reform and cultural exchange programs.~~

~~But the promises I made to the Hungarian people really reflect one overarching commitment: America is ready to invest in a partnership with the world's newest republic; a partnership to build a common future of freedom and prosperity.~~

INSERT
From
PAGE
3

and investment.

said that

will

TH

have also led

to develop and implement our new environmental

Nowhere is this commitment more evident than in today's

In Budapest, I also said that as soon as Hungary's parliament passed emigration legislation then under consideration, I would notify our Congress that Hungary meets all the emigration criteria under U.S. law and therefore qualifies for continuing Most Favored Nation treatment. I am pleased to say that on September 26 that Hungary fulfilled its part of the bargain. I am here to fulfill ours.

Before me are two documents, one advising the Secretary of State that I have determined that Hungary meets our emigration criteria, the other so informing the Congress of the United States. With my signature, these documents grant Hungary the most liberal trade treatment possible under U.S. law and make it the first East European country ever to be granted a waiver from annual reviews of its emigration practices. ~~More than that, they point the way to a new era in our relations, and to a new Hungary of economic and political freedom.~~

under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

Hungary is already starting to enjoy tangible results of our commitment to support reform. In September, an American corporation purchased 100 percent of an Hungarian trading firm -- the first such total acquisition in Eastern European history. ((Another example to come.))

But today's action represents something far greater than a mere trade agreement. It signals the recognition that a quiet revolution is taking place in thousands of shops, farms and factories. It signals the rebirth of Hungary as an entrepreneurial nation.

Our measure will, of course, grant these new Hungarian entrepreneurs access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than

Move
to page 2

just blue jeans and fine wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has

Let me also mention that the documents I am about to sign refer to the "Republic of Hungary." Just three days ago, on the anniversary of the 1956 Revolution, Hungary abandoned the title of "People's Republic," that symbol of the one-party system imposed on Hungary after World War II. In proclaiming itself a republic, Hungary has also passed constitutional amendments, inspired by our own Constitution and Bill of Rights, that guarantee freedoms of the press, assembly, and religion and mark a further dramatic step on Hungary's road to democracy.

We have watched these events unfold with wonder and admiration, and we are inspired by the spread of freedom throughout Eastern Europe. In Poland, the new Solidarity-led government has put forward a bold program of economic reform and has called on us for support. In response, I have asked the Congress to approve a \$200 million grant, which will be the U.S. contribution to the \$1 billion the Poles have requested from the West. Let no one doubt our commitment to freedom's success in Eastern Europe.

as our contribution to the Polish request for a \$1 billion stabilization grant from the West. ((And on Monday, I will announce a U.S. mission to Warsaw of officials, businessmen and economic experts to determine how this fund can best serve the cause of reform.))

We are not passive observers, but active supports of reform. For we know that we are privileged to participate in a very special moment in human history. ~~Never before have repressive, centralized, regimes attempted the transformation into pluralistic democracies with market economies.~~ In Budapest, a

DOUBLE

We are seeing this is an unprecedented transition into pluralist democracies

Centrally directed

boy waves the flag of his nation -- with the hammer and sickle removed. Remarkable. In Warsaw, a dissident who once languished in a ^{prison} ~~dungeon~~ now presides over Parliament. Incredible. In East Germany, ^{hundreds of} thousands of courageous men and women march arm-in-arm through the streets of Leipzig to make a peaceful stand for freedom. Inspiring. It is in these amazing scenes that we see a portrait of the indomitable spirit of Man.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two ^{historic} documents ^{granting} ~~to grant~~ Hungary ^{continuing} Most Favored Nation ^{treatment} ~~status~~.

~~opening~~

THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

October 17, 1989

TO: JOSEPH W. HAGIN, JR.
DEPUTY ASSISTANT TO THE PRESIDENT
FOR SCHEDULING AND APPOINTMENTS

THROUGH: DAVID DEMAREST
ASSISTANT TO THE PRESIDENT FOR COMMUNICATIONS

FROM: SICHAN SIV
DEPUTY ASSISTANT TO THE PRESIDENT
FOR PUBLIC LIAISON

SCOTT SUTHERLAND *SS*
ASSISTANT DIRECTOR
OFFICE OF PUBLIC LIAISON

REQUEST: To participate in a Rose Garden signing ceremony extending unqualified Most Favored Nation status to Hungary.

PURPOSE: To recognize Hungary's progress on emigration and other human rights issues, and to further publicize the Administration's East European policy to selected leaders and officials.

BACKGROUND: The Department of State recently determined that Hungary has satisfied American freedom of emigration criteria under Title IV of the Trade Act of 1974. In recognition of Hungary's progress, the NSC and State have recommended that the President sign a Determination to this effect to Congress enabling Hungary to continue receiving MFN treatment without the requirement for an annual Jackson-Vanik waiver.

In developing its emigration legislation, Hungary was very responsive to U.S. concerns and suggestions. A brief signing ceremony in the Rose Garden would present an appropriate forum in which to praise Hungary's reform efforts and strengthen Congressional support for the Administration's East European policy in general. Brief Presidential remarks would highlight this policy and focus attention on Hungary after the recent preoccupation with Poland. This event should be held in advance of the expected November 3 visit of Hungarian Minister of State Imre Pozgay.

PREVIOUS PARTICIPATION: None

DATE AND TIME: October 23 or October 26. Between 10 a.m. and 10:30 a.m.

LOCATION: Rose Garden

PARTICIPANTS: The President
Secretary of State Baker
Members of Congress
Representatives of the Hungarian government
Leaders of the Hungarian American community

OUTLINE OF EVENT: -- The President enters Rose Garden.
-- The President delivers brief speech.
-- The President signs the Determination.
-- The President departs.

REMARKS REQUIRED: Remarks to be provided

MEDIA COVERAGE: Open

Paul Courtrell - Director of the
U.S.P.C. (Anthony Gibson)
254-7976

Arrived Oct. 16 for
Hungarian Education Symposium

Oct 17
Met c Hungarian President

Oct 17
Memorandum of Understanding
was signed

Oct 18
Left Hungary for Poland

(see Roundness
Media Relations - U.S.P.C.
254-5010)

~~1~~
~~1~~
P-6, - ✓ →
→ → → → →
→ → → → →
→ → → → →

377-2112

Sec. Mosbacher } Since July
EPA - Reilly } Visit of
Bruce Gelb of USIA } POTUS

Sec. Mosbacher - yes

* 9/10 →, 19 17^{6.45} → 19^{9.30AM}

* Farwell McHugh

Reilly - NO

* Heather Schwene

*

485-8563

Gelb

~~485-8563~~

* 9/12-14

* Karen

Hutchins

Hungary
M.F.N.S.

Rose Garden

Hungarian Movement

6-8 min.

- Top of communique / but more than that -
- career of free people "People's Rep. - now a Rep.
- NB large a
- First Eastern Bloc /

Kossuth Square (used a lot in Captive Nations Day)

Pravda - light of liberty would not go out -

~~General~~ Lajos Kossuth: "Bismarck's man" support, but offer no claim to not ~~be~~

Victory of man

Useful - w/ ~~discuss~~ of Soviet wars

Russia Free Europe

Change since and free

Change gov. + opposition also (Court to
submit to the choice of the people in free
elections. ~~Hungary~~ Hungary
Hung - American building
under

Question - MFNS?

- Where is Constitution?

- Emigration / Jackson Bank

- Concerning system of reference of

→ Together, to take advantage of
the large price market in the world
- 30 192?

PROCLAMATION

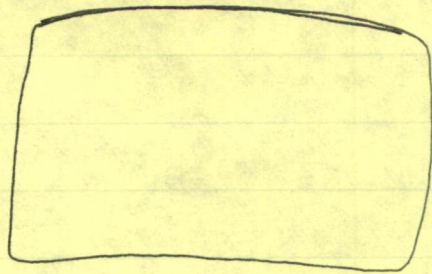
TWO DOCUMENTS

a) Jackson - Vanik - A name letter.
Any way J.V. standards to Sec. State

(b) Pres. Determination to Congress

1st time E.E.

⊙ - Meet w/ businessmen
(anything of it?)



PARIS Summit

\$25 million fund for p-sector / Congress pass
it? (NO)

Immune for
U.S. biz.

OPIC Overseas Private Investment Corp -
Has senate passed ~~enabling~~ enabling legislation?

Congress pass #5 for environmental center for Central
and Eastern Europe in Budapest? (NO)

Peace Corps in Budapest yet?
PEACE CORPS Coverdale went

America House?

\$6 million to ~~the~~ cultural and
educational support? (Inc. exchange programs,
corpus + legit experts, bus leaders, legal experts,
community leaders, ed. + gov people)

(NO)

Mosbacher - delegation
Coverdale - delegation
OPIC - delegation

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national courage with wonder and admiration and something more -- ~~a desire~~ ^{to assist,} a willingness to help.

For we know that we are privileged to witness a very special moment in human history. For the first time, repressive, centralized, regimes have begun to transform into pluralistic democracies with market economies. In Hungary, a boy waves the flag of his nation -- without the hammer and sickle. Remarkable. In Poland, a dissident who once languished in a dungeon now presides over Parliament. Incredible. In East Germany, thousands of brave men and women braved nights sticks and water cannons to link arm-in-arm to make a peaceful stand for freedom. Inspiring. It is in these amazing scenes that we see a portrait of the indomitable spirit of Man.

So just as we are helping the people of Hungary today, so we are determined ~~bring~~ ^{to} ~~assistance~~ wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they will get it -- starting with this Administration's commitment to provide a grant worth \$200 million as our contribution to the Polish request for a \$1 billion

stabilization grant from the West. ((And on Monday, I will announce a U.S. mission to Warsaw of officials, businessmen and economic experts to determine how we this fund can best serve the cause of reform.))

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are encouraged that there has been a change of leadership in East Germany. But we cannot ignore the leadership of the East German public, best seen in the peaceful protests of the people of Leipzig.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two documents to grant Hungary Most Favored Nation status.

Davis/Martin
Oct. 25, 1989
Title: Hungary
Draft: Two

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 11 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube\\ only I called it a Rubik's Cone.\\ But I don't feel bad about it.\\ After all, I wound up puzzling more people than Mister Rubik himself.))

It was my privilege to return to Hungary last summer, and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of ideology, forever.

I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and I submitted this proposal to Congress in September.

I promised a \$5 million fund to open an environmental center for Central and Eastern Europe in Budapest, so that East and West can cooperate on our shared natural heritage, and I also submitted this proposal to Congress in September.

I promised to stimulate American business investment in Hungary by extending the insurance coverage of the Overseas Investment Corporation to Hungary. Ambassador Fred Zeder, President and CEO of OPIC, led a delegation to Hungary two weeks ago to plan for operations to begin once the corporation receives enabling legislation from the Senate.

I promised \$6 million for cultural and educational exchange programs. This program is also ready for action by Congress.

I promised to win RFE
On September 9, Radio Free Europe *can* opened its first station in Eastern Europe in Budapest. *to Hungary*

I also promised to instruct the Peace Corps to make its first European mission to Hungary, to teach English in every county of that nation. Peace Corps Director Paul Coverdall recently led a delegation to Hungary to plan this mission. I have also dispatched Commerce Secretary Bob Mosbacher, EPA Director William Reilly, *EA* USIA Director Bruce Gelb to Hungary to *discuss* *we* *support* *14 R.* plan other ways our governments can cooperate on a massive scale.

But All of these promises I made to these young Hungarians amount to *ONE* ~~this~~: America is ready to invest in our common future.

Hungary is already starting to enjoy tangible results of our commitment to their reform. In September, an American corporation purchased 100 percent for a Hungarian trading firm --

the first such total acquisition in Eastern European history. And in September, the United States also signed a steel agreement with Hungary, guaranteeing a 30 percent increase in Hungarian steel exports to America.

Today's ceremony marks the fulfillment of another commitment I made to the people of Hungary. I said that as soon as the Hungarian Parliament liberalized its emigration laws, I would notify Congress that Hungary meets all the requirements of U.S. law to qualify for permanent Most Favored Nation treatment.

On September 26, Hungary fulfilled its part of the bargain. I am here to fulfill ours. In a few moments, I will sign two documents -- advising the Secretary of State and Congress that Hungary meets our emigration criteria. With my signature, these documents will grant Hungary the most liberal trade treatment under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

These two documents represent something far greater than a mere trade agreement. They signal the rebirth of Hungary as a great entrepreneurial nation; a recognition that a quiet revolution is taking place in thousands of shops, farms and factories.

Our measure will, of course, grant these new Hungarian entrepreneurs access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than just blue jeans and wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Davis/Martin
Oct. 24, 1989
Title: Hungary
Draft: One

PRESIDENTIAL ADDRESS: HUNGARY ANNOUNCEMENT, ROSE GARDEN
Thursday, Oct. 26, 1989, 11 a.m.

— Steph full

Lajos Kossuth: Bayonets may support, but afford no chair to sit upon." Now access to the largest single market in the world.

Hungarian-Americans building bridges. Ties of commerce -- but more than that, an association of free peoples.

Pluralism. New name for Hungary. Radio Free Europe. Praise government and opposition alike -- courage to submit to the choice of the people in free elections. Europe whole and free.

Questions:

- (1) What happened two days ago? ✓
- (2) Where is Parliament, elections, Constitution? ✓
- (3) What about Jackson-Vanik? ✓
- (4) Anything to say about EC '92? ✓

*Senior members As. Balcer ~~or~~ or Explainer / Community /
Hungarian-Americans / Hung. Emb. /*

NATIONAL SECURITY COUNCIL

24-Oct-1989 10:09 EDT

UNCLASSIFIED

MEMORANDUM FOR:

Mary Cooper

(COOPER)

FROM:

Robert L. Hutchings
(HUTCHINGS)

SUBJECT:

Hungary

Ladies and gentlemen, welcome. When I visited Budapest in July, I spoke at Karl Marx University before a large group of students, faculty, and entrepreneurs. It was an ironic setting, but a fitting one, for a country embarked on an unprecedented process of transforming a centrally controlled economic and political system into one of free markets and democratic pluralism.

In that speech, I pledged my strong support to this process of democratic change in Hungary. I said I would ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund and announced several other new initiatives in the fields of labor, the environment, and exchange programs. These are now being translated into reality -- America's investment in Hungary's new beginning.

I also said that as soon as Hungary's parliament passed emigration legislation then under consideration, I would notify our Congress that Hungary meets all the emigration criteria under U.S. law and therefore qualifies for continuing Most Favored Nation treatment. I am pleased to say that on September 26 that Hungary fulfilled its part of the bargain. I am here to fulfill ours.

Before me are two documents, one advising the Secretary of State that I have determined that Hungary meets our emigration criteria, the other so informing the Congress of the United States. With my signature, these documents grant Hungary the most liberal trade treatment possible under U.S. law and make it the first country ever to be granted a waiver from annual reviews of its emigration practices. More than that, they point the way to a new era in our relations, and to a new Hungary of economic and political freedom.

~~((signing of the documents -- pause))~~ *Sign later*

Let me also mention that the documents I have just signed refer to the "Republic of Hungary." Just last week, on the anniversary of the 1956 Revolution, Hungary abandoned the title of "People's Republic," that symbol of the one-party system imposed on Hungary after World War II. In proclaiming itself a republic, Hungary has

also passed constitutional amendments, inspired by our own Constitution and Bill of Rights, that guarantee freedoms of the press, assembly, and religion and mark a further dramatic step on Hungary's road to democracy.

We have watched these events unfold with wonder and admiration, and we are inspired by the spread of freedom throughout Eastern Europe. In Poland, the new Solidarity-led government has put forward a bold program of economic reform and has called on us for support. In response, I have asked the Congress to approve a \$200 million grant, which will be the U.S. contribution to the \$1 billion the Poles have requested from the West. Let no one doubt our commitment to freedom's success in Eastern Europe.

In the German Democratic Republic, tens of thousands of refugees have left seeking freedom and a better life in the West. They and those who remain in the GDR call on their government to introduce long overdue reforms and move toward democratic change. Just this week the new East German leadership, installed in clear response to growing popular pressures for change, lifted the ban on the Soviet journal "Sputnik." Perhaps glasnost can come to the GDR after all.

In Hungary, in Poland, and we hope in East Germany, Czechoslovakia and the rest of Eastern Europe, freedom is ascendant. We see great new hopes for a democratic transition in Eastern Europe, and we see in this process new hope for the end of the division of Europe -- toward a Europe whole and free.

~~Leipzig~~
Leipzig - peaceful
~~Leipzig - peaceful~~

So just as we are helping the people of Hungary today, so we are determined to assist wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they will get it -- starting with this Administration's commitment to provide a grant worth \$200 million as our contribution to the Polish request for a \$1 billion stabilization grant from the West. ((And on Monday, I will announce a U.S. mission to Warsaw of officials, businessmen and economic experts to determine how we this fund can best serve the cause of reform.))

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are encouraged that there has been a change of leadership in East Germany. But we cannot ignore the leadership of the East German public, best seen in the peaceful protests of the people of Leipzig.

Davis/Martin
Oct. 25, 1989
Title: Hungary
Draft: Two

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 11 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube\\ only I called it a Rubik's Cone.\\ But I don't feel bad about it.\\ After all, I wound up puzzling more people than Mister Rubik himself.))

It was my privilege to return to Hungary last summer, and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of ~~archaic~~ ideology, forever.

I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and I submitted this proposal to Congress in September.

I promised a \$5 million fund to open an environmental center for Central and Eastern Europe in Budapest, so that East and West can cooperate on our shared natural heritage, and I also submitted this proposal to Congress in September.

I promised to stimulate American business investment in Hungary by extending the insurance coverage of the Overseas Investment Corporation to Hungary. *OPIC head already del. +* This measure awaits enabling legislation from the Senate.

I promised \$6 million for cultural and educational exchange programs. *This* ~~All of these~~ programs *is also* ~~are~~ ready for action by Congress.

~~I also~~ promised to instruct the Peace Corps to make its first European mission to Hungary, to teach English in county of that nation. Peace Corps Director Paul Coverdall recently led a delegation to Hungary to plan this mission. *I have also sub* ~~Other official~~ delegations to Hungary have included Labor Secretary Elizabeth Dole and Commerce Secretary Bob Mosbacher. *Don to lead official delegation to H. to ~~submit~~ plan for coop. between our countries*

All of these promises I made to these young Hungarians *on a* amount to this: America is ready to make an investment in our *very* common future. *well*

Today's ceremony marks the fulfillment of another commitment I made to the people of Hungary. I said that as soon as the Hungarian Parliament liberalized its emigration laws, I would notify Congress that Hungary meets all the requirements of U.S. law to qualify for permanent Most Favored Nation treatment.

On September 26, Hungary fulfilled its part of the bargain. I am here to fulfill ours. In a few moments, I will sign two documents -- advising the Secretary of State and Congress that Hungary meets our emigration criteria. With my signature, these documents will grant Hungary the most liberal trade treatment under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

These two documents represent something far greater than a mere trade agreement. They signal the rebirth of Hungary as a great entrepreneurial nation; a recognition of a quiet ~~but~~ ~~spectacular~~ revolution taking place in thousands of shops, farms and factories.

Our measure will, of course, grant these new Hungarian entrepreneurs access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than just blue jeans and wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national courage with wonder and admiration and something more -- a desire to assist, a willingness to help.

We are privileged to witness a very special moment in human history. For the first time, centralized, repressive regimes have begun ^{to} ~~the task of~~ transforming into pluralistic democracies with market economies. We have seen amazing scenes from this peaceful reformation, a blossoming of the irrespressible spirit of Man. In Hungary, a boy waves the flag of his nation -- without the hammer and sickle. Remarkable. In Poland, a man who once languished in a dundgeon now presides over Parliament. Incredible. ????And in East Germany, thousands of brave men and women ignore the water cannons and night sticks to link arm-in-arm to make a peaceful stand for freedom. Inspiring.

So just as we are helping the people of Hungary today, so we are determined bring assistance wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they will get it -- starting with this Administration's commitment to provide a grant worth \$200 million as ^{our contribution} ~~a part~~ of the Polish government's request for a \$1 billion stabilization grant. ((And on Monday, I will announce a U.S. mission of officials, businessmen and economic experts to Warsaw to determine how best ^{we can} ~~to spend the~~ ^{this} ~~\$1 billion Western~~ ~~stablization~~ fund.))

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are

encouraged that there has been a change of leadership in East Germany. But we cannot ignore the leadership of the East German public, best seen in the peaceful protests of the people of Leipzig.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. ~~is the~~ We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two documents to grant Hungary Most Favored Nation status.

Davis/Martin
Oct. 24, 1989
Title: Hungary
Draft: One

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 11 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube\\ only I called it a Rubik's Cone.\\ But I don't feel bad about it.\\ After all, I wound up puzzling more people than Mister Rubik ever did.))

It was my privilege to return to Hungary, ^{last summer} and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of antiquated ideology, forever.

I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and announced other initiatives, from the environment to student exchange. In short, I told these

report

*Available
pieces
Ruminate
Villavalleles
We are witnesses
Historic Change
We are part
of a new
world*

young Hungarians that America is ready to make an investment in our common future.

Today's ceremony marks the fulfillment of another promise I took to the people of Hungary. I said that as soon as the Hungarian Parliament liberalized its emigration laws, I would notify Congress that Hungary meets all the requirements of U.S. law to qualify for continuing Most Favored Nation treatment.

On September 26, Hungary fulfilled its part of the bargain. I am here to fulfill ours. In a few moments, I will sign two documents -- advising the Secretary of State and Congress that Hungary meets our emigration criteria. With my signature, these documents will grant Hungary the most liberal trade treatment under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

stand
This will, of course, grant Hungary access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than just blue jeans and wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national

courage with wonder and admiration and something more -- a desire to assist, a willingness to help.

And just as we are helping the people of Hungary today, so we are determined bring assistance wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they ^{will} ~~must~~ get it -- starting with ^{this} ~~our~~ ^{Administration's} commitment to provide a grant worth \$200 million. ^{to do what}

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are ^{too stupid} encouraged by signs that a fresh spirit of reform guides the new East German leadership. But we cannot ignore the leadership of the East German public, best seen in the peaceful protests of the people of Leipzig.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two documents to grant Hungary Most Favored Nation status.

Davis/Martin
Oct. 24, 1989
Title: Hungary
Draft: One

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 11 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube\\ only I called it a Rubik's Cone.\\ But I don't feel bad about it.\\ After all, I wound up puzzling more people than Mister Rubik ^{himself} ever did.))

It was my privilege to return to Hungary, and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of antiquated ideology, forever.

I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and announced other initiatives, from the environment to student exchange. In short, I told these

*OPIC / THINGS DONE !!!
PEACE CORPS - 12 P.C. VOLUNTEERS ALREADY THERE
AMERICA HOUSE - built*

trade!
social
minimum +
Hungary
young Hungarians that America is ready to make an investment in our common future.

Today's ceremony marks the fulfillment of another promise I took to the people of Hungary. I said that as soon as the Hungarian Parliament liberalized its emigration laws, I would notify Congress that Hungary meets all the requirements of U.S. law to qualify for continuing Most Favored Nation treatment.

On September 26, Hungary fulfilled its part of the bargain. I am here to fulfill ours. In a few moments, I will sign two documents -- advising the Secretary of State and Congress that Hungary meets our emigration criteria. With my signature, these documents will grant Hungary the most liberal trade treatment under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

This will, of course, grant Hungary access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than just blue jeans and wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national

expand America

paper represents rebirth of ethnic

SCENES

Amazing peaceful
Chambre

Very special
moment in
time

When I was
in
Boy w/
Hamm + Sicke
cut out. Remark.

STREET
CAMP

Joe Blum,
President one
in jail. Unbel.

And in ~~the~~
itself
etc.

(Ann + ann)
Peaceful

you for freedom.

courage with wonder and admiration and something more -- a desire to assist, a willingness to help.

And just as we are helping the people of Hungary today, so we are determined bring assistance wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they must get it -- starting with our commitment to provide a grant worth \$200 million. *(And on Monday, I will announce a U.S. Mission)*

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are encouraged by ~~signs that a fresh spirit of reform guides the new East German leadership.~~ *that the* *a change of leadership.* But we cannot ignore the leadership of the East German public, *is it* (best seen in the peaceful protests of the people of Leipzig. *Follow the lead of Hungary*)

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two documents to grant Hungary Most Favored Nation status.

Davis/Martin
Oct. 25, 1989
Title: Hungary
Draft: Two ~~2~~ 3

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 10 a.m.

Secretary Baker, Secretary Mosbacher, Ambassador Hills, Ambassador Varkonyi ((VAR-cone-nyee)), Director Gelb, Congressman Lantos, welcome to the Rose Garden.

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube,\\ only I called it a Rubik's Cone.\\ But I don't feel bad about it.\\ After all, I wound up puzzling more people than Mister Rubik himself.))

It was my privilege to return to Hungary last summer, and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of ideology, forever.

I pledged my strong support to this process of democratic change in Hungary. I said I would ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, \$5 million to open an environmental center for Central and Eastern

Europe in Budapest, and another \$6 million for a wide range of cultural and exchange programs. I submitted all of these proposals to Congress in early September. We are working vigorously to ensure Congressional action, to make an American investment in Hungary's future.

I also promised to stimulate American business investment in Hungary by extending the business insurance of the Overseas Private Investment Corporation to Hungary. Ambassador Fred Zeder, President and CEO of OPIC, led a delegation to Hungary two weeks ago to plan for operations to begin once the corporation receives enabling legislation from the Senate. Last month, Commerce Secretary Bob Mosbacher led a major governmental and private investment mission to Hungary, encouraging steps toward new ventures.

Hungary is already starting to enjoy tangible results of our commitment to support reform. Just in September, an American corporation purchased 100 percent of an Hungarian trading firm -- the first such total acquisition in Eastern European history. This is just one example of many new American ventures within Hungary.

I also said that the Peace Corps will make its first European mission to Hungary, to teach English in every county of that nation. Peace Corps Director Paul Coverdall recently led a delegation to Hungary to plan this mission. EPA Director William Reilly and USIA Director Bruce Gelb have also led missions to

Hungary to develop and implement our environmental and cultural exchange programs.

In Budapest, I also said that as soon as the Hungarian Parliament passed emigration legislation then under consideration, I would notify our Congress that Hungary meets all the emigration criteria under U.S. law. This would qualify Hungary for Most Favored Nation treatment. I am pleased to say that on September 26, that Hungary fulfilled its part of the bargain. I am here today to fulfill ours.

Before me are two documents, one advising the Secretary of State that I have determined that Hungary meets our emigration criteria. The other informs Congress. With my signature, these documents will grant Hungary the most liberal trade treatment possible under U.S. law, making it the first East European country ever to be granted a waiver from annual reviews of its emigration practices.

But today's action represents something far greater than a mere trade agreement. It signals the recognition that a quiet revolution is taking place in thousands of shops, farms and factories. It signals the rebirth of Hungary as an entrepreneurial nation.

Our measure will, of course, grant these new Hungarian entrepreneurs access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than just blue jeans and fine wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

The documents I'm about to sign refer to the "Republic of Hungary." Just three days ago, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that symbol of the one-party system imposed on Hungary after World War Two. It is the new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national courage with wonder and admiration and something more -- a willingness to help.

Just as we are helping the people of Hungary today, so we are determined to assist wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. In response, I have asked the Congress to approve a \$200 million grant, which will be the U.S. contribution to the \$1 billion the Poles have requested from the West.

We are not passive observers, but active supports of reform. Let no one doubt our commitment to freedom's success in Eastern Europe -- for we know that we are privileged to participate in a very special moment in human history. We are witnessing an unprecedented transformation of Communist nations into pluralistic democracies with market economies. In Budapest, Radio Free Europe is broadcasting from its first station in Eastern Europe. Remarkable. In Warsaw, a dissident who once languished in a prison now presides over Parliament. Incredible. In East Germany, hundreds of thousands of courageous men and

women march arm-in-arm through the streets of Leipzig to make a peaceful stand for freedom. Inspiring. It is in these amazing scenes that we see a portrait of the indomitable spirit of Man.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say: We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two historic documents granting Hungary continuing Most Favored Nation treatment.

pledge I made to the people of Hungary. I promised that as soon as the Hungarian Parliament liberalized its emigration laws, I would notify Congress that Hungary meets all the requirements of U.S. law to qualify for permanent Most Favored Nation treatment.

On September 26, Hungary fulfilled its part of the bargain. I am here to fulfill ours. In a few moments, I will sign two documents -- advising the Secretary of State and Congress that Hungary meets our emigration criteria. With my signature, these documents will grant Hungary the most liberal trade treatment under U.S. law, and make it the first country ever to be granted a waiver from annual reviews of its emigration practices.

Hungary is already starting to enjoy tangible results of our commitment to support reform. In September, an American corporation purchased 100 percent of an Hungarian trading firm -- the first such total acquisition in Eastern European history. ~~And in September,~~ ^{also in that same week} the United States ~~also~~ ^{also} signed a steel agreement with Hungary, ~~guaranteeing a 30 percent increase in Hungarian steel exports to America.~~ ^{at the same time ALSO in Sept,}

^{TODAY'S ACTION} But ~~these two documents~~ ⁵ represent something far greater than a mere trade agreement. They signal the rebirth of Hungary as a great entrepreneurial nation; a recognition that a quiet revolution is taking place in thousands of shops, farms and factories.

Our measure will, of course, grant these new Hungarian entrepreneurs access to the largest single market in the world. But the peoples of America and Hungary are exchanging more than

just blue jeans and wine. We are exchanging ideas and ideals that can only be the shared province of free peoples.

Just last week, on the anniversary of the 1956 Revolution, Hungary scrapped the title "People's Republic" -- that epitaph of democracy common to one-party states -- and proclaimed itself to be a true republic. It is this new Hungarian Republic that has adopted a Bill of Rights to guarantee freedom of the press, assembly and religion. Americans watch these acts of national courage with wonder and admiration and something more -- a willingness to help.

For we know that we are privileged to witness a very special moment in human history. Never before have repressive, centralized, regimes attempted the transformation into pluralistic democracies with market economies. In Hungary, a boy waves the flag of his nation -- without the hammer and sickle. Remarkable. In Poland, a dissident who once languished in a dungeon now presides over Parliament. Incredible. In East Germany, thousands of brave men and women braved nights sticks and water cannons to link arm-in-arm to make a peaceful stand for freedom. Inspiring. It is in these amazing scenes that we see a portrait of the indomitable spirit of Man.

Throughout Eastern Europe and in the Soviet Union itself, we see evidence of the ascendancy of freedom. We see signs of a new Europe, which no one need fear, a Europe whole and free. And as we witness this historic tide of freedom, riding at the crest is one nation -- the people of Republic of Hungary. To them I say:

We admire you. We support you. And we welcome you as friends of freedom.

Thank you, and now it will be my pleasure to sign these two documents to grant Hungary Most Favored Nation status.

So just as we are helping the people of Hungary today, so we are determined to assist wherever people aspire to greater freedom. In Poland, the new Solidarity-led government has put forward a bold program of economic reform. They have asked for our support, and they will get it -- starting with this Administration's commitment to provide a grant worth \$200 million as our contribution to the Polish request for a \$1 billion stabilization grant from the West. ((And on Monday, I will announce a U.S. mission to Warsaw of officials, businessmen and economic experts to determine how we this fund can best serve the cause of reform.))

This process of change is also starting in the German Democratic Republic, sparked by the bravery of tens of thousands who left to seek a better life in the West. But millions more seek a better life at home. Will they find it? We are encouraged that there has been a change of leadership in East Germany. But we cannot ignore the leadership of the East German public, best seen in the peaceful protests of the people of Leipzig.

Davis/Martin
Oct. 25, 1989
Title: Hungary
Draft: Two

PRESIDENTIAL PROCLAMATION: HUNGARY, ROSE GARDEN
Thursday, Oct. 26, 1989, 11 a.m.

((Acknowledgements to come -- Secretary Baker, Lawrence Eagleburger, Congressman Lantos, Hungarian ambassador, etc.))

((Let me begin with a small confession. When I visited Hungary in July, I made a reference to that famous brainteaser from Budapest, the Rubik's Cube, \\ only I called it a Rubik's Cone. \\ But I don't feel bad about it. \\ After all, I wound up puzzling more people than Mister Rubik himself.))

It was my privilege to return to Hungary last summer, and become the first American President to visit a nation that is so much a part of Europe, and so much a part of America.

At Karl Marx University, before the very statute of Marx himself, I met students, teachers and entrepreneurs who are making a bold break with the past. And in their bright faces I saw a burning idealism, a determination to escape the dead hand of ideology, forever.

I promised to support their hopes, by supporting the process of economic and democratic reform in Hungary. I promised to ask Congress to authorize \$25 million to establish an Hungarian-American Enterprise Fund, and I submitted this proposal to Congress in September.

I promised a \$5 million fund to open an environmental center for Central and Eastern Europe in Budapest, so that East and West can cooperate on our shared natural heritage; and I also submitted this proposal to Congress in September.

I promised to stimulate American business investment in Hungary by extending the insurance coverage of the Overseas Investment Corporation to Hungary. Ambassador Fred Zeder, President and CEO of OPIC, led a delegation to Hungary two weeks ago to plan for operations to begin once the corporation receives enabling legislation from the Senate.

I promised \$6 million for cultural and educational exchange programs. This program is also ready for action by Congress.

I promised to bring Radio Free Europe to Hungary. And on September 9, Radio Free Europe opened its first station in Eastern Europe in Budapest.

I also promised to instruct the Peace Corps to make its first European mission to Hungary, to teach English in every county of that nation. Peace Corps Director Paul Coverdall recently led a delegation to Hungary to plan this mission. I have also dispatched Commerce Secretary Bob Mosbacher, EPA Director William Reilly, USIA Director Bruce Gelb and others to Hungary to discover ways our government can support reform.

But all of these promises I made to these young Hungarians amount to one: America is ready to invest in our common future.

Nowhere is this commitment more evident than in today's ceremony. For today we mark the fulfillment of yet another