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Karl Marx University 7/12/89 [3]

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Davis
Comments

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

PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
(Date, Time)

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

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

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

~~When he died~~ ~~in the Hungarian~~ ~~revolution.~~ ~~As his~~ ~~slow~~ ~~procession~~ ~~moved~~ ~~through~~ ~~Heroes'~~ ~~Square,~~ ~~the~~ ~~rising~~ ~~voice~~ ~~of~~ ~~Hungary~~ ~~was~~ ~~heard~~ ~~in~~ ~~the~~ ~~singing~~ ~~of~~ ~~the~~ ~~Szozat~~ ~~(SO-zat).~~ ~~And~~ ~~in~~ ~~this~~ ~~simple,~~ ~~somber~~ ~~ceremony~~ ~~reburial,~~ ~~the~~ ~~world~~ ~~saw~~ ~~something~~ ~~more~~ ~~than~~ ~~a~~ ~~dignified~~ ~~act~~ ~~of~~ ~~reconciliation.~~ ~~We~~ ~~witnessed~~ ~~an~~ ~~act~~ ~~of~~ ~~truth.~~ ~~It~~ ~~is~~ ~~on~~ ~~this~~ ~~foundation~~ ~~of~~ ~~truth,~~ ~~one~~ ~~more~~ ~~solid~~ ~~than~~ ~~stone,~~ ~~that~~ ~~Hungarians~~ ~~have~~ ~~begun~~ ~~to~~ ~~build~~ ~~a~~

*and though only now is he honored by the
last generation, his courage will be an inspiration
to the next generation*
though the last had to wait his
new future . . . ~~a generation waited to honor his courage; may a
hundred generations remember it.~~ *his courage will inspire the next
generation.*

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

~~This was~~ *A* city that rivaled Paris in its splendor; Vienna in its music ~~and~~ London in its literature. ~~This was~~ *A* center of learning that enlightened the world, and gave America one kind of genius in Joseph Pulitzer, and another in Bela Bartok. But for decades, this great city, this great nation, so central to the continent in every respect, was torn from Europe and the West. *Today Hungary is changing --*
~~But the city and country I see today is again opening to the West, again becoming a leading light in European culture. I see people in motion. ~~The~~ color and creativity replacing grey conformity. I sense an atmosphere that is electric, alive with optimism.~~ *There's electric*

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

Karl Marx traced only one thread of human existence, and missed the rest of the tapestry -- the colorful and varied

³
the human condition.
tapestry of ~~civilization~~. Marx regarded Man as an economic being. But Man is more than that.

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

The creative genius of the Hungarian people, long suppressed, is again flourishing in your schools, your businesses, your churches. This is more than a fleeting season of freedom. ~~It's a rebirth, a Renaissance of Hungary~~ *It is Hungary returning home*

Voices long stilled are being heard again. An independent daily newspaper is now sold on the streets. Commercial radio and television stations, financed by American companies, will soon broadcast everything from the news . . . to Huey Lewis and the News. And even Radio Free Europe is opening its first Budapest bureau.

More than one hundred thousand Americans visited Hungary last year -- and more than 20,000 Hungarians have come to America. This very university operates exchange programs with 23 U.S. schools. For the first time, the Iron Curtain has begun to part. *And leading the way.* Hungary is ~~changing the world.~~

The Soviet Union has withdrawn many troops, which I take as a first sign that Moscow truly respects your sovereignty. And as they leave, let the Soviets know they have everything to gain, and nothing to lose or fear, from peaceful change. Nor should we

fear new thinking from Mr. Gorbachev. We can ~~work together to~~
~~move~~ ^{now} beyond containment, beyond the Cold War.

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

This is possible because brave men and women have formed
opposition parties. And this is possible because Hungarian
leaders are showing the ultimate political courage -- the courage
to submit their names before the people.

~~But you need partners - partners poised~~
~~We are ready to help promote lasting change in Hungary. I am~~
~~here to tell you that the United States is poised and ready. I am here~~
~~to tell you the United States can be your partner.~~
~~three vital spheres - economics, cultural exchange and the~~
~~environment. Hungary is embarking on an odyssey of change. I am~~

~~here to tell you that the United States is with you.~~

Three vital spheres stand out - economics, ^{cultural exchange} and ^{the environment}

INVESTMENT IN HUNGARY

The United States believes ~~aid should~~ ⁱⁿ accelerate change, not ~~its~~
delay ~~it~~. So this our guiding principle -- the United States ^{on 20} will
offer ^{assistance} ~~aid~~ not to prop up the status quo, but to propel reform.

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

~~And, ultimately, it's a burden to be discarded.~~ To make the transition to a ^{productive} market economy will test your mettle as a people. The prices of some commodities ^{may} will rise. Some inefficient factories will close. ~~Hard choices already await you.~~ ^{And} the creative drive of the people, once unleashed, will create a momentum of its own. This will ~~eventually~~ bring you ~~something~~ a greater ^{treasure} than the riches you will create. It will give you control over your destiny . . . a Hungarian destiny.

~~But~~ The Hungarian government has already started to leave the business of running shops to shopkeepers and farms to farmers.]

~~As you change, so will you integrate into the world economy.~~

¶ Just look to the West of the Danube -- your European neighbors are forming a single market. Soon you will have the chance to trade with this new economic colossus. But the United States will also be your partner in this transformation to a successful competitive economy.)

So ~~with trade in mind,~~ ^{Because} once your future Parliament legalizes the free movement of its citizens, I will inform Congress that Hungary is complying with the 1974 Trade Act. This will entitle you to the maximum most-favored nation tariff status possible under U.S. law. (Simply put, ^{these two measures open the door to} the largest single market in the world. ~~is opening its doors to you.~~ ^{Hungary.})

America is also prepared to include ^{your country} Hungary in the generalized system of preferences, which provides duty-free entry for certain goods. ~~Hungary can -- and should -- develop the same~~

~~trade access to the American market that your Western neighbors enjoy.~~ *Some have raised the question of government assistance.*

~~The United States will offer some government assistance,~~ *can and will do more. And you, we will offer*

including an entrepreneurial fund for economically depressed regions of your country. ~~In years past, loans were written and accepted with little thought paid to their utility.~~ *However*

We've all learned that massive government and institutional loans hobble whole nations with debt, while private investment liberates

creditor and debtor alike. The U.S. government can and will match American private-sector investment in Hungary -- investment where it counts, in Hungarian factories, products and jobs.

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

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

don't let the United States lose the vibrancy and strength of our economy by often neglecting our small business sector.

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

CULTURAL EXCHANGE

These are the economic proposals I will discuss with your leaders. But I am also here to meet the Hungarian people. I hope this visit leads to a wider exchange between East and West.

Certainly ~~Let our scientists, our artists, our environmentalists share the knowledge that can benefit us all.~~ *can learn from one another* **Let our soldiers and statesmen discuss peace and our students discuss the future.**

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

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

The United States will also open, within the next two years, an America House in the center of Budapest. The celebrated American architect Robert Stern will design the plans for this

center, which will promote bilateral trade by helping Hungarians to learn American culture.

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

ENVIRONMENTAL EXCHANGE

To learn a language, to start a business, is to embark on a great adventure. But to fulfill a promising future, we must also protect our basic common ^{heritage} possession -- the environment. Six weeks ago, in Mainz, I proposed cooperation between East and West on environmental issues. What a tragedy it would be if your continent was again spoiled, this time not by war, but by a more subtle and insidious danger -- that of poisoned rivers and acid rain.

Hungary has led Eastern and Central Europe in addressing the concerns of your citizens for cleaner air and water. And you are leading the way in environmental agreements with the West. The U.S. Environmental Protection Agency and the Hungarian government

have just agreed on new programs for exchanges and joint training of environmental experts.

((Substance to come))

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

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

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

I see a great Hungarian future in the bright faces of your students. But not all young people in the East ~~also~~ have as much freedom as you ^{do} ~~do to plan their future~~. Certainly not your brothers and sisters in Transylvania.

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

We do not know the torments that drove her to risk her life. But we do know her heart. It is the heart of Anne Frank and

Hertelendy (HERT-lindy) Jamos (Yamosh). It is the heart of youth determined to live in freedom . . .

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

The people of Hungary know it is not enough to let men and women **purchase** what they want or cast a symbolic vote. They must be allowed to **say** what they believe. They must be allowed to **choose** their government. Limited freedom, whether it is economic or political, **will not provide sufficient room for the restless human spirit.**

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

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

Thank you and God bless you all.

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Davis/Martin
July 7, 1989
Title: b:karl
Draft: Three

PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
July 12, 1:15 p.m.

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

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

After all, it is said that Tramline Number Two runs the country, since it stops at Karl Marx and goes on to Parliament and the Central Committee. Many great Hungarian leaders have also moved along this same route, including Miklos (MEEK-losh) Nemeth (NAY-met). But before any of them, there was a teacher at Karl Marx University, and his name was Imre (EEMH-ray) Nagy (NUDGE). ((PAUSE))

As ^{his} ~~the~~ slow reburial procession moved through Heroes' Square, the rising voice of Hungary was heard in the singing of the National Hymn. And in this simple, somber ceremony, the world saw something more than a dignified act of reconciliation. We witnessed an act of truth. It is on this foundation of truth,

more solid than stone, that Hungarians have begun to build a new future . . . a generation waited to honor Imre (EEMH-ray) Nagy's (NUDGE'S) courage; may a hundred generations ^{remember} revere it.

While Hungary rediscovers its natural role in the affairs of Europe, America is rediscovering Hungary. A popular non-fiction book in my country today is entitled Budapest 1900. Dr. John Lukacs lovingly describes the Budapest of memory, with its proud stock exchange and great opera; a time when Europe's first electric subway ran underneath the handsome shops of Andrassy Avenue.

A city that rivaled Paris in its splendor . . . Vienna in its music . . . London in its literature. A center of learning that enlightened the world, and gave America one kind of genius in Joseph Pulitzer, and another in Bela Bartok. But for decades, this great city, this ^{sep.} great nation, so central to the continent in every respect, was ~~torn~~ from Europe and the West.

Today Hungary is opening again to the West -- becoming a leading light in European culture. I see people in motion. I see color and creativity, ^{experimentation} ~~replacing grey conformity~~. I see a new beginning for Hungary . . . The very atmosphere of Budapest is electric, alive with optimism.

Your people and your leaders -- government and opposition alike -- are not afraid to break with the past, to act in the spirit of truth. And what better example of this could there be than one simple fact: Karl Marx University has dropped Das Kapital from its required reading list . . .

Some Historians ~~say~~ *argue* that Marxism arose out of a humane impulse. But Karl Marx traced only one thread of human existence, and missed the rest of the tapestry -- the colorful and varied tapestry of humanity ~~civilization~~. Marx regarded Man as a hapless being shaped by impersonal economic forces. But Man is more than that.

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

The creative genius of the Hungarian people, long suppressed, is again flourishing in your schools, your businesses, your churches. This is more than a fleeting season of freedom. **It is Hungary returning home.** ?

Voices long stilled are being heard again. An independent daily newspaper is now sold on the streets. Commercial radio and television stations, financed by American companies, will broadcast everything from the news . . . to the pop music of Huey Lewis and the News. Even more dramatic, Radio Free Europe is opening its first Budapest bureau.

Along your border with Austria, the ugly symbol of Europe's division and Hungary's isolation is coming down, as the barbed wire fences are rolled into bales. **For the first time, the Iron Curtain has begun to part. And Hungary is leading the way.** ?

The Soviet Union has withdrawn troops, which I take also as an early sign that Europe's division is nearing an end. And as they leave, let the Soviet leaders know they have everything to

gain, and nothing to lose or fear, from peaceful change. **We can work together to move beyond containment, beyond the Cold War.**

But all of these developments, as significant as they are, pale before the fact that Hungary is at the threshold of great and historic change. You are writing a new constitution -- ^{you} ~~a~~ ^{version} ~~of the~~ Hungarian Rights of Man that will sanction democratic, multi-party elections.

This is possible because brave men and women have formed opposition parties. And this is possible because Hungarian leaders are showing the ultimate political courage -- the courage to submit their names before the people.

But to succeed in reform, you will need partners -- partners to help promote lasting change in Hungary. **I am here to offer Hungary the partnership of the United States of America.**

Three vital spheres stand out in our partnership -- economics, democratic and cultural exchange, and the environment.

INVESTMENT IN HUNGARY

The United States believes in the acceleration of change, not in its delay. So this our guiding principle -- the United States will offer assistance not to prop up the status quo, **but to propel reform.**

ADD BACK in Symp.

Of course, the ~~dead~~ weight of the past still burdens Hungarian enterprise. There are remnants of the Stalinist economy -- huge, inefficient industrial plants; the bewildering price system no one understands; the massive subsidies that cloud

*Hungarian-American
so proud*

economic decisions -- all of this slows what you could otherwise achieve. It's an economic Rubik's Cube that defies solution.

To make the transition to a productive economy will test your mettle as a people. The prices of some commodities may rise. Some inefficient factories will close. But the Hungarian government has already started to leave the business of running shops to shopkeepers and of farms to farmers. And the creative drive of the people, once unleashed, will create a momentum of its own. This will bring you a greater treasure than the riches you will create. It will give each of you control over your destiny . . . **a Hungarian destiny.**

Just look to the West of the Danube -- your European neighbors are forming a single market. Soon you will have the chance to trade with this new economic colossus. But, as I said, the United States will also be your partner in this transformation to a successful competitive economy. I am here to announce the following measures.

((First, as ^{Isaid in Warsaw} you know, I will propose at the Paris Economic Summit the formation of a Consortium for Poland and Hungary, to back your reforms with economic and technical assistance programs from the Summit partners. Of course, our program for Hungary will be targeted to **your** needs.

Second, I will ask the U.S. Congress to authorize (a) \$25 million ^(fund) ~~(grant)~~ to establish a Hungarian-American Enterprise Foundation, ^{AS} a source of new capital to invigorate the Hungarian private-sector.

(I am pleased to announce ~~the~~ an agreed ~~to est.~~ ~~to est.~~ sci + tech coop in areas of joint interests + expertise - basic sciences, the environ, agriculture, medicine, ~~man,~~ ^{ecology + nuclear safety,}

7

~~CONFIDENTIAL~~

Third, once your Parliament passes the new emigration legislation proposed by your Council of Ministers, I will inform our Congress that Hungary is in full compliance with our 1974 Trade Act. Hungary will then ~~qualify for the maximum most-favored nation trade status under U.S. law~~ ^{become the first ~~country~~ country} ~~to be released from the terms of Jackson-Vanik Act - giving you the~~ ^{most liberal access to the Am. market for the longest term possible.}

Fourth, America is prepared to provide your country with access to our Generalized System of Preferences, which offers selective tariff relief. Simply put, **these last two measures will open the door to the largest single market in the world.**

In the United States, the vibrancy and strength of our economy relies on the creativity of millions of small businesses. Therefore, I am pleased to note our fifth measure, the formation of the Hungarian Enterprise Group, which will match venture capital, both foreign and Hungarian, with entrepreneurs -- the small businessmen and -women with the grand ideas.

Sixth, we have concluded a draft agreement to authorize the Overseas Private Investment Corporation to operate in Hungary. Once our Senate passes enabling legislation, OPIC will be able to provide insurance to encourage American investment in private enterprises in Hungary. ~~The American investment company, Bear-~~ ^{OPIC will match investor w/entrepreneur} ~~Stern, has already established a special "Hungary Fund" to pool resources to purchase shares in Hungarian companies.~~ ^{see first hand the great oppor. of Hungary.}

What does private investment mean for Hungary? Yesterday, at Kossuth Square, I quoted the words of that great Hungarian patriot. But it was another Hungarian patriot, a contemporary of Kossuth, Count Szechenyi (SAY-chaney), who said: "Some think that

Communist
LST NATION

I am happy
to tell
Hungary
you are
the first

(PRIVATE)

Hungary has been; I like to think it will be." Of this we are sure -- Hungary will be great again.

CENUNION

DEMOCRATIC AND CULTURAL EXCHANGE

~~(((These are the economic proposals I will discuss with your leaders. But I also hope this visit leads to a wider exchange between East and West, so our scientists, our artists and our environmentalists can learn from one another . . . So that our soldiers and statesmen discuss peace and our students discuss the future.)))~~ *It is my hope that the first of an Am. Bus. deal*
 ((PAUSE)) *(CAN)* *(CAN)* *(7a)*

In such exchanges, we want to help you in your quest for a new beginning as a democratic Hungary. So the United States is *(also)* committing more than \$6 million to private cultural and educational opportunities in Eastern Europe. We will make available funds for a series of major new U.S.-Hungarian exchange programs -- among Congressmen and legislative experts, among labor and business leaders, among legal experts, among community leaders, educators and young people. We are creating dozens of fellowships to enable Hungarians to study at American universities. And we will fund endowed chairs in American studies at your universities . . . and books -- many thousands of them -- to fill the shelves of your American Management Institute and the libraries of schools and universities across Hungary.

The United States will also open, within the next two years, an America House in the center of Budapest. The celebrated American architect Robert Stern will design the plans for this

Speech paragraphs on the environmental initiatives

Poland

Fifth, economic progress should not come at the expense of our common inheritance -- the environment. Environmental problems are of great concern here in Poland, in the United States, and indeed throughout the world. Air and water pollution know no boundaries. Almost two years ago I visited Krakow, your former Royal Capital, a city recognized by UNESCO as an international treasure. Today Krakow is under siege by pollution. Its priceless monuments are being destroyed. Krakow must be reclaimed. The United States will help. (Pause) **I will ask the Congress for \$15 million for a cooperative venture with Poland to help fight air and water pollution in Krakow.**

Hungary

One of the goals of this visit to Hungary is to emphasize the importance of cooperation in improving the world in which we live. Economic progress need not and cannot be at the expense of the air we breathe and the water we drink. We can no longer accept that cost. That is why I will ask the U.S. Congress to appropriate \$5 million for the establishment of an international Environmental Center for Central and Eastern Europe, to be based in Budapest, which will bring together private and government experts and organizations to attack the ecological crisis we are facing. There is no East-West issue in the protection of our shared heritage of this earth. We can all benefit from building such a bridge of technical and scientific cooperation.

center, which will be an open house of books, magazines and videocassettes -- **an open house of ideas.**

more to do

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

ENVIRONMENTAL INITIATIVE

← move after economics

~~To learn a language, to start a business, or to work for a candidate in a free election, is to embark on a great adventure. But to realize a promising future, we must also protect our basic common heritage -- the environment. Six weeks ago, in Mainz, I proposed cooperation between East and West on environmental issues. What a tragedy it would be if your continent was again spoiled, this time not by war, but by a more subtle and insidious danger -- that of poisoned rivers and acid rain.~~

▶ Hungary has led Eastern and Central Europe in addressing the concerns of your citizens for cleaner air and water. And you are leading the way in environmental agreements with the West.

((Substance to come))

CONCLUSION

In our economic, cultural and environmental relations, we have much to share and learn from each other. The United States is especially determined to stand by Hungary as you meet an enormous challenge. No Communist nation has yet attempted what Hungary is already doing -- to build democracy and a free market. *Strad?*

For centuries, the youth of Hungary has been martyred in many fights for freedom. This was struggle of Jamos (Yanosh) Hertelendy (HERTEL-indy), and this was the struggle of many of your parents. But today, young Hungarians can, without fear, plan for a future of freedom and peace.

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

I see a great Hungarian future in the bright faces of your youth. You know it is not enough to let men and women **purchase** what you want or cast a symbolic vote. You must be allowed to **say** what you believe. You must be allowed to **choose** your government. Limited freedom, whether it is economic or political, **will not provide sufficient room for the restless human spirit.**

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

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

Thank you and God bless you all.

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THE WHITE HOUSE
WASHINGTON

July 3, 1989

Memorandum to Chriss Winston

From: Jim Pinkerton

Subject: Karl Marx University Speech Draft

A fine speech.

pg. 1, para. 3, line 7 We note that the New York Times prefers to pronounce Imre Nage as "NUDG," while the networks say "NAZH." To avoid another "you say Grenayda, I say Grenahda" episode, and more grist for Safire's mill, this needs double-checking if it has not been done already.

3,4,4 We are skeptical about the currency of "Huey Lewis and the News" in Hungary. Unless research has uncovered Huey Lewis on some Hungarian Top 40 list, we suggest omitting the reference.

Discussed w/Embassy translator this morning "Nudg" like "fudge" is correct.

↑ Already placed call to Budapest re: Huey Lewis em

89 JUN 2 11:24

WHITE HOUSE STAFFING MEMORANDUMDATE: 6/30/89

ACTION/CONCURRENCE/COMMENT DUE BY: _____

7/3/89 5:00 PMSUBJECT: PRESIDENTIAL REMARKS: KARL MARX UNIVERSITY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 5:00 Monday, July 3, 1989, with an info copy to my office.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/30/89 ACTION/CONCURRENCE/COMMENT DUE BY: 7/3/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: KARL MARX UNIVERSITY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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RESPONSE:

*ok
GAW
7/5*

89 JUN 4 P4 39

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

Kim 122

WHITE HOUSE STAFFING REQUEST

SUBJECT: Presidential Remarks: Karl Marx University

RECEIVED/STAFFED (date/time): 6/30/89 5:20 P.M.

RESPONSE DUE TO DOSG (date/time): 7/3/89 4:00 P.M.

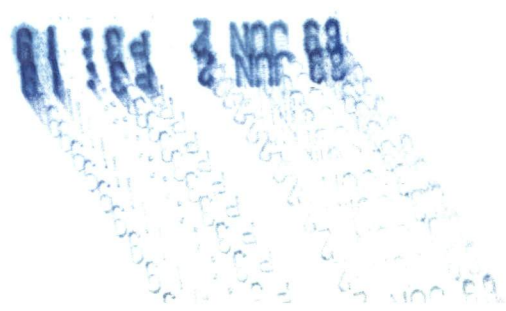
(Even if "no comment", response should be called in to DOSG x3060)

DISTRIBUTION WITHIN OMB

	<u>Action</u>	<u>FYI</u>		<u>Action</u>	<u>FYI</u>		<u>Action</u>	<u>FYI</u>
DARMAN	___	___	GRADY	✓	___	CLARK	___	___
DIEFENDERFER	___	✓	HAUN	___	✓	AL-SAMARRIE	✓	___
ANDERSON	___	___	HOLEN	✓	NC	SCULLY	___	___
NSIA	✓	NC	MURR	___	___	CLAY	✓	___
DALE	___	___	PLAGER	___	___	FILE	___	___
BURMAN	___	___	DAMUS	✓	NC		___	___
HALE	___	___	HODSOLL	✓	___		___	___

COMMENTS:

No Comments





EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

NOTICE:

Enclosed are comments from staff members of the Office of Management and Budget (OMB). Such comments do not necessarily represent the official position of the Director of OMB or of the Office of Management and Budget. If you wish to have the Director's personal comments, please let me know -- and contact me if you have any questions.

A handwritten signature in cursive script, appearing to read "David J. Haun".

David J. Haun
Executive Assistant
to the Director

WHITE HOUSE STAFFING MEMORANDUM

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RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

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

PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
(Date, Time)

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

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

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

As his slow procession moved through Heroes' Square, the rising voice of Hungary was heard in the singing of the Szozat (SO-zat). And in this simple, somber reburial, the world saw something more than a dignified act of reconciliation. We witnessed an act of truth. It is on this foundation of truth, one more solid than stone, that Hungarians have begun to build a

new future . . . a generation waited to honor his courage; may a hundred generations remember it.

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

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

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

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

Karl Marx traced only one thread of human existence, and missed the rest of the tapestry -- the colorful and varied

tapestry of civilization. Marx regarded Man as an economic being. But Man is more than that.

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

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

Voices long stilled are being heard again. An independent daily newspaper is now sold on the streets. Commercial radio and television stations, financed by American companies, will soon broadcast everything from the news . . . to Huey Lewis and the News. And even Radio Free Europe is opening its first Budapest bureau.

More than one hundred thousand Americans visited Hungary last year -- and more than 20,000 Hungarians have come to America. This very university operates exchange programs with 23 U.S. schools. **For the first time, the Iron Curtain has begun to part. Hungary is changing the world.**

The Soviet Union has withdrawn many troops, which I take as a first sign that Moscow truly respects your sovereignty. And as they leave, let the Soviets know they have everything to gain, and nothing to lose or fear, from peaceful change. **Nor should we**

fear new thinking from Mr. Gorbachev. We can work together to move beyond containment, beyond the Cold War.

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

This is possible because brave men and women have formed opposition parties. And this is possible because Hungarian leaders are showing the ultimate political courage -- the courage to submit their names before the people.

We are ready to help promote lasting change in Hungary in three vital spheres -- economics, cultural exchange and the environment. **Hungary is embarking on an odyssey of change. I am here to tell you that the United States is with you.**

INVESTMENT IN HUNGARY

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

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

And, ultimately, it's a burden to be discarded. To make the transition to a market economy will test your mettle as a people. The prices of some commodities will rise. Some inefficient factories will close. Hard choices already await you. But the creative drive of the people, once unleashed, will create a momentum of its own. This will eventually bring you something greater than the riches you will create. It will give you control over your destiny . . . **a Hungarian destiny.**

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

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

America is also prepared to include Hungary in the generalized system of preferences, which provides duty-free entry for certain goods. **Hungary can -- and should -- develop the same**

trade access to the American market that your Western neighbors enjoy.

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

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

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

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

CULTURAL EXCHANGE

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

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

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

The United States will also open, within the next two years, an America House in the center of Budapest. The celebrated American architect Robert Stern will design the plans for this

center, which will promote bilateral trade by helping Hungarians to learn American culture.

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

ENVIRONMENTAL EXCHANGE

To learn a language, to start a business, is to embark on a great adventure. But to fulfill a promising future, we must also protect our basic common possession -- the environment. Six weeks ago, in Mainz, I proposed cooperation between East and West on environmental issues. What a tragedy it would be if your continent was again spoiled, this time not by war, but by a more subtle and insidious danger -- that of poisoned rivers and acid rain.

Hungary has led Eastern and Central Europe in addressing the concerns of your citizens for cleaner air and water. And you are leading the way in environmental agreements with the West. The U.S. Environmental Protection Agency and the Hungarian government

have just agreed on new programs for exchanges and joint training of environmental experts.

((Substance to come))

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

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

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

I see a great Hungarian future in the bright faces of your students. But not all young people in the East Bloc have as much freedom as you do to plan their future. Certainly not your brothers and sisters in Transylvania.

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

We do not know the torments that drove her to risk her life. But we do know her heart. It is the heart of Anne Frank and

Hertelendy (HERT-lindy) Jamos (Yamosh). It is the heart of youth determined to live in freedom . . .

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

The people of Hungary know it is not enough to let men and women **purchase** what they want or cast a symbolic vote. They must be allowed to **say** what they believe. They must be allowed to **choose** their government. Limited freedom, whether it is economic or political, **will not provide sufficient room for the restless human spirit.**

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

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

Thank you and God bless you all.

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THE WHITE HOUSE
WASHINGTON

July 5, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Karl Marx University

We suggest deleting the last sentence in the top paragraph on page 6, which begins with "The U.S. Government can and will..." The sentence implies that USG resources will be used to match dollar-for-dollar the investment of the U.S. private sector.

We also note that the name of the investment firm Bear Sterns needs to be corrected at the bottom of page 6.

cc: James W. Cicconi

89 JUN 5 8:11

WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/30/89 ACTION/CONCURRENCE/COMMENT DUE BY: 7/3/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: KARL MARX UNIVERSITY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
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BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
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RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

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

1989 JUN 29 11 14
PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
(Date, Time)

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

ENVIRONMENTAL EXCHANGE

To learn a language, to start a business, is to embark on a great adventure. But to fulfill a promising future, we must also protect our basic common possession -- the environment. Six weeks ago, in Mainz, I proposed cooperation between East and West on environmental issues. What a tragedy it would be if your continent was again spoiled, this time not by war, but by a more subtle and insidious danger -- that of poisoned rivers and acid rain.

Hungary has led Eastern and Central Europe in addressing the concerns of your citizens for cleaner air and water. And you are leading the way in environmental agreements with the West. The U.S. Environmental Protection Agency and the Hungarian government

have just agreed on new programs for exchanges and joint training of environmental experts.

((Substance to come))

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

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

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

I see a great Hungarian future in the bright faces of your students. But not all young people in the East Bloc have as much freedom as you do to plan their future. Certainly not your brothers and sisters in Transylvania.

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

We do not know the torments that drove her to risk her life. But we do know her heart. It is the heart of Anne Frank and

Hertelendy (HERT-lindy) Jamos (Yamosh). It is the heart of youth determined to live in freedom . . .

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

The people of Hungary know it is not enough to let men and women **purchase** what they want or cast a symbolic vote. They must be allowed to **say** what they believe. They must be allowed to **choose** their government. Limited freedom, whether it is economic or political, **will not provide sufficient room for the restless human spirit.**

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

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

Thank you and God bless you all.

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WHITE HOUSE STAFFING MEMORANDUM

DATE: 6/30/89 ACTION/CONCURRENCE/COMMENT DUE BY: 7/3/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: KARL MARX UNIVERSITY

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	STUDDERT	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BATES <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
BREEDEN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
GRAY <i>Needs more dem. Weds A.M.</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 5:00 Monday, July 3, 1989, with an info copy to my office.

RESPONSE: _____

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

89 JUN 30 PM 16

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

1000 JUN 29 1989
PRESIDENTIAL ADDRESS: KARL MARX UNIVERSITY
(Date, Time)

July 12, 1989 1:15pm

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

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

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

As his slow procession moved through Heroes' Square, the rising voice of Hungary was heard in the singing of the Szozat (SO-zat). And in this simple, somber reburial, the world saw something more than a dignified act of reconciliation. We witnessed an act of truth. It is on this foundation of truth, one more solid than stone, that Hungarians have begun to build a

new future . . . a generation waited to honor his courage; may a hundred generations remember it.

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

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

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

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

Karl Marx traced only one thread of human existence, and missed the rest of the tapestry -- the colorful and varied

tapestry of civilization. Marx regarded Man as an economic being. But Man is more than that.

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

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

Voices long stilled are being heard again. An independent daily newspaper is now sold on the streets. Commercial radio and television stations, financed by American companies, will soon broadcast everything from the news . . . to Huey Lewis and the News. And even Radio Free Europe is opening its first Budapest bureau.

More than one hundred thousand Americans visited Hungary last year -- and more than 20,000 Hungarians have come to America. This very university operates exchange programs with 23 U.S. schools. **For the first time, the Iron Curtain has begun to part. Hungary is changing the world.**

The Soviet Union has withdrawn many troops, which I take as a first sign that Moscow truly respects your sovereignty. And as they leave, let the Soviets know they have everything to gain, and nothing to lose or fear, from peaceful change. **Nor should we**

fear new thinking from Mr. Gorbachev. We can work together to move beyond containment, beyond the Cold War.

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

This is possible because brave men and women have formed opposition parties. And this is possible because Hungarian leaders are showing the ultimate political courage -- the courage to submit their names before the people.

We are ready to help promote lasting change in Hungary in three vital spheres -- economics, cultural exchange and the environment. **Hungary is embarking on an odyssey of change.** I am here to tell you that the United States is with you.

INVESTMENT IN HUNGARY

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

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

And, ultimately, it's a burden to be discarded. To make the transition to a market economy will test your mettle as a people. The prices of some commodities will rise. Some inefficient factories will close. Hard choices already await you. But the creative drive of the people, once unleashed, will create a momentum of its own. This will eventually bring you something greater than the riches you will create. It will give you control over your destiny . . . **a Hungarian destiny.**

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

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

America is also prepared to include Hungary in the generalized system of preferences, which provides duty-free entry for certain goods. **Hungary can -- and should -- develop the same**

trade access to the American market that your Western neighbors enjoy.

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

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

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

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

CULTURAL EXCHANGE

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

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

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

The United States will also open, within the next two years, an America House in the center of Budapest. The celebrated American architect Robert Stern will design the plans for this

center, which will promote bilateral trade by helping Hungarians to learn American culture.

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FILE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

INVESTMENT IN HUNGARY

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

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

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

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

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

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

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

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

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

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

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

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

ENVIRONMENTAL INITIATIVE

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

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

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

DEMOCRATIC AND CULTURAL EXCHANGE

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

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

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

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

CONCLUSION

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

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

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

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

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

THANK YOU.

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THE WHITE HOUSE

Office of the Press Secretary
(Budapest, Hungary)

For Immediate Release

July 13, 1989

REMARKS OF THE PRESIDENT
UPON DEPARTURE

Budapest Airport
Budapest, Hungary

8:45 A.M. (L)

THE PRESIDENT: Thank you, Mr. President. To distinguished leaders, Mr. Nyers, Mr. Grosz, Mr. Nemeth, and others that came to see us off, my profound thanks for the warmth of the hospitality to Barbara and me.

I was the first Vice President of the United States to visit your country six years ago, but now I'm especially honored to be the first American President to come to this beautiful land. During the past two days, we've met with Hungarians from every walk of life. I saw many thousand wet Hungarians turning out there at Kossuth Square, a reminder -- that Square a reminder of the sacrifices of Hungary's past.

And at Parliament, I met with the political leaders of the present -- leaders who have the courage to call for an historic election. And at Karl Marx University, I saw the hopeful face of Hungary's future, and announced a series of American actions to engage my country more deeply in the future.

But throughout, at every single event, I felt a deepening of the friendship between the American and Hungarian people.

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

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

Thank you for a wonderful visit, for an unforgettably warm welcome. God bless you and God bless Hungary.

END

8:50 A.M. (L)