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[OA 3536]

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

October 26, 1989

REMARKS BY THE PRESIDENT
AT SIGNING CEREMONY FOR
MOST FAVORED NATION STATUS TO HUNGARY

The Rose Garden

10:00 A.M. EDT

THE PRESIDENT: Thank you. Please be seated. On this beautiful day at the White House, welcome. Secretary Baker and Secretary Mosbacher, Carla Hills, our able U.S. Trade Representative. I see our Secretary Derwinski and Watkins, Bill Reilly, Bruce Gelb. Mr. Teller, it's a delight to see you here, sir. And the distinguished members of the United States Congress who are with us, welcome all. I see the Chairman of our Foreign Relations Committee, Senator Clayburn Pell, here, and Bill Broomfield -- all of you, welcome.

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. I had a chance to discuss this just Monday when the new Ambassador came to the White House to present his credentials. And I welcome you, sir, and am just delighted you're here representing your country.

At Karl Marx University, before the very statue 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 and a determination to escape the dead hand of ideology forever. And I pledged my strong support to this process of democratic change in Hungary. I said I would ask Congress to authorize \$25 million and to establish a 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 these proposals to Congress in early September. We're working vigorously to ensure congressional action to make an American investment in Hungary's future. And I also promise to stimulate American business investment in Hungary by extending the business insurance of the Overseas Private Investment Corporation to Hungary.

Ambassador Fred Zeder, the President and the CEO of OPIC, led a delegation to Hungary just two weeks ago to plan for operations to begin once the corporation receives the enabling legislation from the Senate. And last month, Secretary Bob Mosbacher led a major governmental and private investment mission to Hungary, encouraging steps toward new ventures.

Hungary's already starting to enjoy tangible results of our commitment to support reform. Just in September, an American corporation purchased 100 percent of a Hungarian trading firm, the first such total acquisition in Eastern European history. And 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 Coverdell recently led a delegation to Hungary to plan this mission.

Bill Reilly, the EPA Director, and Bruce Gelb, next to

MORE

him, our USIA Director, 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 that I would notify our Congress that Hungary meets all the emigration criteria under U.S. law. That would qualify Hungary for Most Favored Nation treatment. And I am pleased to say that on September 26th Hungary fulfilled its part of the bargain. And I'm here today to fulfill our part of the bargain. (Applause.)

Before me are three documents -- one advising the Secretary of State that I've determined that Hungary meets our emigration criteria; the others informs each of the Houses of Congress. And with my signature, these documents will grant Hungary the most liberal trade treatment possible under U.S. law, making it the first country subject to the Jackson-Vanik Amendment ever to be granted a waiver from annual reviews of its emigration practices. (Applause.) But you see, we feel that 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 blue jeans and fine wines. We're 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, "Peoples Republic," that symbol of the one-party system imposed on Hungary after World War II. And it is this new Hungarian Republic that has adopted a bill of rights inspired by our own Constitution to guarantee freedom of the press, assembly, and religion.

And Americans watch these acts of national courage with wonder, admiration, and something more: A willingness to help. So we're not passive observers. We are active supporters 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're witnessing an unprecedented transformation of communist nations into pluralistic democracies with market economies.

In Budapest, Radio Free Europe is broadcasting from its first bureau in Eastern Europe. It's a remarkable thing. And in Warsaw, a dissident who once languished in prison now presides over their 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 the Republic of Hungary. And to them I say we admire you, we support you and we welcome you as friends of freedom.

Thank you. And now it is my pleasure to sign those historic documents granting Hungary continued Most Favored Nation treatment. (Applause.)

END

10:12 A.M. EDT

CLOSE HOLD

Document No. 085045SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/25/89 ACTION/CONCURRENCE/COMMENT DUE BY: 10/25/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: HUNGARY MOST FAVORED NATION EVENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input 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 type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES <i>NC</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input 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 PM TODAY, Wednesday, October 25, with a copy to my office. Thank you.

RESPONSE: CLOSE HOLD

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

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 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.

Davis/Martin
Oct. 26, 1989
Title: Hungary
Draft: Four
8:55 a.m.

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

Secretary Baker, Secretary Mosbacher, Secretary Watkins,
Secretary Derwinski, Administrator Reilly, 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 three documents, one advising the Secretary of State that I have determined that Hungary meets our emigration criteria. The other informs each House of Congress. With my signature, these documents will grant Hungary the most liberal trade treatment possible under U.S. law, making it the first country subject to the Jackson-Vanik amendment 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 this new Hungarian Republic that has adopted a Bill of Rights, inspired by our own Constitution, to guarantee freedom of the press, assembly and religion. Americans watch these acts of national courage with wonder, admiration and something more -- a willingness to help.

So 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 bureau in Eastern Europe. Remarkable. In Warsaw, a dissident who once languished in 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.

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

THE WHITE HOUSE
WASHINGTON

Oct. 25, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

Through: CHRISS WINSTON CC
From: MARK DAVIS MD
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: Three

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
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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.

Sounds Before me are ~~two~~³ 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. ^{INSPIRED BY OUR OWN CONST.} Americans watch these acts of national courage with wonder and admiration and something more -- a willingness to help.

Backwell cut { 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 bureau 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

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IT'S A PLEASURE TO HAVE
60 MEMBERS OF THE WHITEHOUSE
CONGRESS WASHINGTON
HERE TODAY

Sen. Claiborne Pell

Sen. Daniel Moynihan

Rep. Dan Rostenkowski

Rep. + Mrs. Tom Lantos

Rep. Sam Gibbons

Rep. William Broadfield

Rep. Benjamin Gilman

Rep. Christopher Cox

Edward Teller

* Rep. Neust Gingrich

* Rep. Bill Frenzel

Davis/Martin
Oct. 25, 1989
Title: Hungary
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Secretary Baker, Secretary Mosbacher, Ambassador Hills,
Ambassador Varkonyi ((VAR-cone-nyee)), Director Gelb, ~~Congressman~~ ^{Congressman +} ~~Congressman~~ ^{Mrs.}
~~Lantos~~, ^{Edward Teller} welcome to the Rose Garden. ^{Lantos}

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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 bureau 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

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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.

THE WHITE HOUSE
WASHINGTON

October 25, 1989

MEMORANDUM FOR CHRISS WINSTON

FROM: STEPHEN G. RADEMAKER ^{SR}
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Presidential Remarks--Hungary Most Favored Nation
Event

Pursuant to James Cicconi's request, Counsel's Office has reviewed the above-referenced matter. On page 3, second paragraph, the third sentence, we have two concerns.

First, unless the documents to be signed by the President grant Hungary GSP treatment as well as MFN, it is not correct to assert that ~~these~~ these documents will grant Hungary the most liberal trade treatment under U.S. law." We have not seen the documents and do not know whether GSP treatment is being extended, but if it is not, the sentence should be revised to read "these documents will grant Hungary liberalized trade treatment."

Second, to take account of the fact that not all countries are subject to annual review of their emigration practices, the remainder of the sentence should be revised to indicate that the President's action makes Hungary ~~the~~ "the first country subject to the Jackson-Vanik amendment ever to be granted a waiver from annual reviews of its emigration practices."

Subject to these comments, Counsel's Office has no objection to the draft remarks.

cc: James W. Cicconi

89 OCT 25 6:04

THE WHITE HOUSE

WASHINGTON

CEREMONY CONFERRING UNQUALIFIED MOST FAVORED
NATION STATUS TO HUNGARY

DATE: October 26, 1989
TIME: 10:00 a.m.
LOCATION: Rose Garden
THROUGH: DAVID DEMAREST
ASSISTANT TO THE PRESIDENT FOR
COMMUNICATIONS
FROM: SICHAN SIV *Sichan Siv*
DEPUTY ASSISTANT TO THE PRESIDENT
FOR PUBLIC LIAISON

I. PURPOSE:

To recognize Hungary's progress on democratization and emigration policies, and to further publicize the Administration's Eastern European policy.

II. BACKGROUND:

The Department of State recently determined that Hungary has satisfied freedom of emigration criteria under Title IV of the Trade Act of 1974. In recognition of Hungary's progress, the NSC and State Department have recommended that the President sign a Determination to this effect, enabling Hungary to receive MFN treatment without requiring an annual waiver of the Jackson-Vanik amendment. In developing its emigration legislation, Hungary was very responsive to U.S. concerns and suggestions.

This ceremony presents a forum to praise Hungary's reform efforts and strengthen Congressional support for the Administration's Eastern European policy in general.

III. PARTICIPANTS:

The President

Standing on steps with the President:

Secretary Baker

Secretary Mosbacher

Ambassador Hills

Hungarian Ambassador to the U.S.- Peter Varkonyi
(VAR-cone-nyee)

Seated in front row:
Secretary Watkins
Secretary Derwinski
Administrator Reilly
Members of Congress

Prominent Hungarian Americans
Administration representatives from various departments

IV. PRESS PLAN:

Open press.

V. SEQUENCE OF EVENTS:

- The President enters Rose Garden from Oval Office.
- The President makes brief remarks.
- The President signs the Determination.
- The President departs.

Remarks provided by Speechwriters.

CLOSE HOLD

Document No. 085045SS

8578

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/25/89 ACTION/CONCURRENCE/COMMENT DUE BY: 10/25/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: HUNGARY MOST FAVORED NATION EVENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input 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 type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input 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 PM TODAY, Wednesday, October 25, with a copy to my office. Thank you.

RESPONSE: CLOSE HOLD October 25, 1989

TO: CHRISS WINSTON

The NSC concurs with the attached changes indicated.

Brent Scowcroft

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

5428

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 a 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.

89 OCT 25 P 4: 22

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 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 statue 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 ^{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, ~~for~~ ^{and} programs. This program is also ready for action by Congress. ~~by~~ ^{the} 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 ^{office} ~~station~~ in Eastern Europe in Budapest. ^{and investment.}

I also ~~promised to instruct~~ ^{said that} the Peace Corps ^{will} 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,~~ ^{and} EPA Director William Reilly, ^{have also led} USIA Director Bruce Gelb ^{to develop and implement our new environmental} and others to ^{missions to Hungary} 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.~~

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From
PAGE
3

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.~~

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

MOVE
to page 2

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.

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 ~~prison~~ ^{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} ~~to grant~~ Hungary ^{continuing} Most Favored Nation ^{treatment and} status.

~~opening~~

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/26/89 ACTION/CONCURRENCE/COMMENT DUE BY: ----

SUBJECT: PRESIDENTIAL REMARKS: HUNGARY MFN EVENT

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

REMARKS:
 The attached has been forwarded to the President.

RESPONSE:

89 OCT 26 4:13 PM '89

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

THE WHITE HOUSE
WASHINGTON

1989 OCT 25 PM 8:17

Oct. 25, 1989

INFORMATION

MEMORANDUM FOR THE PRESIDENT

Through: CHRISS WINSTON
From: MARK DAVIS *MD*
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: Three

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 bureau 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.

CLOSE HOLD

Document No. 085045SS

WHITE HOUSE STAFFING MEMORANDUM

RECEIVED IN OMB

89 OCT 25 P 40/25/89
DATE:

ACTION/CONCURRENCE/COMMENT DUE BY: 10/25/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: HUNGARY MOST FAVORED NATION EVENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input 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 type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
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CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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FITZWATER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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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 PM TODAY, Wednesday, October 25, with a copy to my office. Thank you.

RESPONSE:

CLOSE HOLD

See comments

89 OCT 25 P 5: 47

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

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.))

*Robert
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Hungary →*

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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 *check spelling* 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 ^{has a} ~~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.))

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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.))

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

*Holzer
5/78*

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*suggests
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Germany!*

CLOSE HOLD

Document No. 085045SS

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10/25/89

ACTION/CONCURRENCE/COMMENT DUE BY: 10/25/89 5:00 PM

SUBJECT: PRESIDENTIAL REMARKS: HUNGARY MOST FAVORED NATION EVENT

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input 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 type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input type="checkbox"/>
BATES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input 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 PM TODAY, Wednesday, October 25, with a copy to my office. Thank you.

RESPONSE:

CLOSE HOLD

No Comment
10/25/89
06:28 5213
89 OCT 25 P7:40

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

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.