

*Hungarian–US Relations during Ronald Reagan’s  
Two Presidencies – 1981-1988*

Propositions of the PhD Dissertation

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## **I. Introduction into the theme of the dissertation; raising problems; antecedents of research**

Bilateral relations of Soviet occupied Hungary (1949-1989: People's Republic of Hungary) and the United States of America during the last decade of Kádár János's rule (the 1980s) are fairly unknown both to the public and the scientific community. From among the Hungarian experts of the subject and/or the era Borhi László gave the most extensive insight in 2009 (*Magyar-amerikai kapcsolatok 1945-1989*), while Magyarics Tamás, Békés Csaba and Müller Rolf published their works focusing on sequences (1956, 1968) and periods preceding 1978, or on sole events after that (1985). Hungarian – US relations of the Eighties have not even been well published in periodicals (such as *Külpolitika*); except for moments like Hungary's joining the IMF and IBRD in 1982, or the Budapest Cultural Forum of 1985, or the presidential elections of 1988.

Stemming from all these bilateral relations of the era presented in my dissertation are still scarcely researched, published, analysed or evaluated – although from 1978 to 1988 not only the fate of Hungary, or Eastern Europe, but the whole world had changed. Without knowing the events of this period it is hard to assess the more than three decade long Kádár-era; also the years leading to the Hungarian regime change and the change itself; Hungarian – US relations since 1990; relations of Eastern bloc countries with the US; last but not least the story of how Washington won, and Moscow lost the Cold War.

## **II. Methods**

The backbone of my dissertation is made up of documents now kept by the National Archives of Hungary. From among many other MOL documents it was the material marked XIX-J-1-j KÜM TÜK USA that proved to be the most decisive in my research. Bilateral relations of the Peoples's Republic of Hungary and the United States of America became accessible up to 1988 in 2005, so it was only then that the decade from 1978 fully became the subject of research. Papers of the HSWP's Central Committee and its Politbüro were also included in my unearthing process to the extent they are relevant to and connected with the events appearing in directly foreign affair sources. All these together make up the primary sources of this dissertation.

Concerning the secondary sources of my dissertation there are two books – actually autobiographies – that emerge from the other sources that I used in my research, they are Ronald Reagan's *An American Life* and Richard Pipes's *Vixi: Memoirs of a Non\_Belonger*. These books are not printed in Hungarian, Pipes's memoirs weren't even published in Europe, so excerpts from these works are intended to fill the gap and give us an insight into how US politics and rhetoric changed after 1981. Contemporary and later media releases (let it be newspapers, TV or internet) on the key events and issues of the era make a different but also important group of secondary sources. Mentioning here only the most popular and best known papers and magazines: the *New York Times*, the *Washington Post*, the *Wall Street Journal*, the *Christian Science Monitor*, *Time Magazine*, the *Los Angeles Times*, the *Chicago Tribune*, or the *Guardian* published many articles not only about the confrontations and negotiations of the two superpowers, but also about US – Hungarian affairs.

In my research it is not triteness, but a fact that *Google* and *YouTube* changed the way we can access different sources. They make it much easier to search, trace, find and identify written and audiovisual sources on a given subject. Media appearances – such as all the important speeches made by Ronald Reagan – with various interviews and on air shows, along with previously classified documents – presidential records, CIA and NSA reports, presidential directives (for instance NSDD 75 itself), etc. – are accessible in their original form. All these sources helped me to inhale the way of thinking and the mood of the 1980s, and also meant a great help in evaluating different events.

I tried to arrange and use all these primary and secondary sources so that the pieces of the puzzle are joined together: sometimes giving us a more detailed view, sometimes giving an alternative way to approach an event or a chain of events. Although stemming from the kaleidoscopic nature of the documents now held by the National Archives of Hungary it was inevitable to make detours from the main line of my concept, I tried to follow the mainstream of bilateral events coherently, and I turned sideways – like I did with US – Soviet relations – only when it added to the whole picture, and made my line of thought more detailed, colourful or vibrant.

### **III. New results of the dissertation**

Hungarian – US relations were developing step by step from 1978, after the *Sacra Corona* was returned to Hungary. Even if there was a slight period of stagnation in that process (from the Hungarian part a Kádár – Reagan summit was delayed), there was no step back within a decade. The two countries raised their relations to the highest level in 1988. In the given period of bilateral relations from the American side political, while from the Hungarian side economical motivation was first and foremost. This latter is evident from a row KÜM TÜK documents, which repetitively highlight and emphasize the importance of Hungary's joining the IMF and IBRD, also of its MFN status. Continuous growth in trade between the two countries underlines the same fact. Hungarian export to the US grew nearly six-fold between 1978 and 1988, with Hungarian surplus from 1986. In 1987 bilateral exports – imports exceeded 500 million US dollars: Hungarian exports to the US reached 308.1 million USD, while imports from there were 254.9 million USD. With this amount of trade the US became Hungary's fourth most important partner from western capitalist countries.

From the mid-1980s the second Reagan administration kept the possibility of raising bilateral relations to the highest level on the agenda. This idea came from President Reagan's most inner circles yet, due to Kádár's unwillingness and later of his resign/removal a Reagan – Kádár summit was never held. From the documents the exact cause of this unwillingness cannot be identified. Kádár's "no" to such a meeting most likely originated from his personality, from his fears and experience of Soviet retorts, and also from his old age – from his intellectual decay. Finally, raising US – Hungarian relations to the highest level came with Grósz Károly's visit to the US in 1988. The Reagan – Grósz summit shows a kind of continuity and consistency with the original invitation, addressing Kádár János.

Hungary's joining the IMF and the IBRD was evidently a subject to the benevolence of the Reagan administration. By approving Hungary in the Bretton Wood Twins the US helped Budapest to avoid bankruptcy. In this way Washington directly supported the stable and untroubled survival of Kádár's regime in the long run. The period's two most important goals of Hungarian foreign policy in relations with the US were securing MFN status for more than one year, and opening a consulate on the West Coast. These goals, however, were far beyond the possibilities not only of Hungary, but of any socialist countries of the era. At the same time, the fact that Hungary's MFN status was continuously renewed, and that a commercial office with no diplomatic exemption was allowed on the West Coast in 1988, marks Hungarian success.

From the American perspective results of the Kádár regime in the field of human rights, starting from 1978 – were at least eligible. Semi-annual reports of the US congress on implementing the Helsinki Final Act, with a clear emphasis on its third basket, were evaluating Hungarian politics. Although these reports criticized Hungary from many perspectives on many occasions, yet in Washington's final analysis the regime's overall accomplishment was satisfying. The annual renewals of Hungary's MFN status proves this.

"Hungarian model" as a concept was present both in Hungarian and American thinking and rhetoric. This term, however, didn't have one concrete and standard meaning or content, it was rather the common denominator for individual speakers who outlined the same concept but with different emphasis. Based upon our sources we can assert that "Hungarian model" meant something different in the early-1980s, than it meant on the dawn of the regime change, and also that it was used in an altering fashion in Hungarian diplomacy's rhetoric, of Armand Hammer or of George P. Shultz. The key elements in the integrity and continuity of the concept were a liberal digression from Moscow's line of conduct; preserving the regime's stable social support by keeping up the sense of well-being and prosperity; last but not least the chance that other socialist countries will follow the Hungarian example. In the late-1980s positive discrimination towards Hungary and the "Hungarian model" within the State Department – and in US foreign policy in general – was much due to Deputy Secretary of State, John C. Whitehead. Both KÜM TÜK documents and contemporary media publications show that Whitehead who was in charge of Eastern – European affairs assigned a special role to Budapest even in the fast changing cold war environment.

All those typical problems and "affairs" that characterized the diplomacy of the US with the Eastern Bloc in general were present in Hungarian – US relations. These were surveillance cases, attempts to rope in somebody, and the charge of espionage. Yet, beyond informal and formal objections (from which Mark Palmer's non-paper was the most serious) that were the general part of cold war diplomacy, none of these had a serious impact on bilateral relations.

Even during the Carter administration the United States had already recognized that the *détente* was untenable, but not before the presidency(-ies) of Ronald Reagan was there a defining and ultimate break with the mainstream policy of the previous two decades. Reagan's own dedication – which many times confronted him even with his most inner circles – to overcome the Soviet Union, and his belief that the US was apt to do so defined the whole era. His famous "Evil Empire Speech" from the spring of 1983 had a direct message to the Soviets, and in its concept, beyond Reagan's own convictions, it reflected the confidential directive NSDD 75,

which took effect in January 1983. National Security Decision Directive 75, which was entitled *US relations with the USSR*, took effect on 17 January 1983, after two years of preparations. Its three main goals were to stop Soviet expansion, to promote political and economical changes within the Soviet Union, and to enforce American interests in negotiations. In NSDD 75's part "A" – *Functional – Military Strategy* (1) and *Economic Policy* (2) are built upon each other. They expound that the US by modernizing its own conventional and nuclear weapons has to achieve primacy over the Soviet Union, deterring the Soviets from any kind of attacks. To achieve this, the directive attributes an important role to limitations on high tech transfer. NSDD 75's part "B" – *Geopolitical* – deals with communist countries and the spread of communism in its 3-4-5. points. From them it was number 3 – dealing with the Soviet Empire – that laid down principles for US relations with Eastern European countries; and its "a" part allowed US foreign policy makers to discriminate "*in favour of countries that show relative independence from the USSR in their foreign policy, or show a greater degree of internal liberalization*". It was this latter that gave not only guidelines but also opportunities to US – Hungarian relations right until 1988–89.

From the four Reagan – Gorbachev meetings in the second half of the 1980s (Geneva, Reykjavík, Washington, Moscow) the Washington summit of 1987 was the real turning point. The SDI – which was many times referred to in a negative tone even by US foreign policy makers – proved to be that corner stone to which Reagan always meant it to be: it forced Gorbachev to make concessions and negotiate from the weaker counterpart's position. It was in Washington where first negotiation was not simply about arms limitation but in fact about arms reduction.

The frequent and obligate changes in the person of the Soviet premier from 1982 to 1985 made Hungarian foreign policy's room for manoeuvre more unpredictable, yet they had no direct effect on Hungarian – US relations. We can assert that after the Brezhnev era, the changes on the highest level in the Kremlin allowed Hungarian foreign policy to act more independently than previously.

Contrasted to the Chinese and Yugoslavian ties to the US the prerogatives secured by Washington to Hungary do not seem to be any more peculiar or unique. Measuring it to other Eastern Bloc states' achievements, however, makes Hungary's success evident – putting it to the top of the list in the late-1980s. From 1982 – following Wojciech Jaruzelski's military coup in December 1981 – Budapest had a better position than Warsaw; while Bucharest started to lag behind from 1986–87, as a consequence of Nicolae Ceaușescu's more and more aggressive and stupid home land and foreign policy. All that was given – both politically and economically – to Hungary was denied from Poland and taken away from Romania by the US in this period.

Eastern Europe never belonged to the regions that have the highest priority in US foreign policy, not even during the Cold War. Yet the 1980s brought about a change in its ranking. First Gorbachev's *perestroika* and *glasnost*, then the once hidden but lurking, now emerging social and economical crisis of the satellite states. By 1988 all these were threatening the region with social eruption, and due to the more and more widespread dissatisfaction with the regimes put the region from the 5-6. place to the 3-4. in Washington's ranking.

Promoting and developing US – Hungarian relations by Washington was rejected by the majority of the American Hungarian minority. Political gestures – both by Carter and Reagan – raised objections among Hungarian expats, from returning the *Sacra Corona* to Budapest up to Grósz Károly approval in the White House. From the Hungarian part there were a number of contacts made with the organizations of the American Hungarian community, more precisely with their representatives. Among them “the ring of Püski Sándor” (as they appear in the documents), the Magyar Baráti Közösség (Itt – Ott), the Hungarian Communion of Friends and the American Hungarian Federation. All these attempts, based upon the documents that are now accessible, finally came to a dead end. Hungarian politics was unable to use or to influence these organizations or their prominents for its own goals. An open and fruitful dialogue was made impossible by suspicion, enmity and ideological confrontation from both sides. The communist ideology of the Hungarian People’s Republic confronted it with the emigrants of 1945–48 and 1956, and also with the majority of those who arrived to the US prior to that.

Relations of the Hungarian state and American Jews with Hungarian origins were completely different from those mentioned above. There were two basic reasons for this. On the one hand, as it is clear from KÜM TÜK sources, Hungarian foreign politics regarded Jews as the leaders of international financial and business affairs, and also as people who were capable of influencing Washington. On the other hand for the American Hungarian Jewish community it was not the period of the communist takeover or the 1956 revolution and war of independence which drew the line, but the holocaust. Stemming from this latter, unlike with other Hungarian expats, there were no such confronting key issues that would have barred mutual discussion; even more so, denouncing the so-called Fascist-era meant a common denominator (although during the Kádár years, in tune with the communist canon, no one spoke of the holocaust). With Hungarian Jewish emigrants, and organizations – like the American Jewish Committee or the World Federation of Hungarian Jews – Hungarian foreign policy makers could establish a kind of co-operation based upon mutual acceptance. The most evident result of this *de facto* partnership was a programme launching the restoration and rehabilitation of Jewish cemeteries in Hungary, to which finance came basically from abroad with the help of the organizations mentioned above.

Although Hungarian opposition groups were known to the Americans, and they – mostly liberal and leftist-liberal groups – were partly supported by the US, Washington never stepped up for them in full strength; surely not before 1989. In KÜM TÜK documents, mentioning here only the most important ones, Demszky’s case, the Tiszatáj-affair, the Lakitelek meeting, or the case of 1956’s victims’ and martyrs’ resting place were present, but they never had an impact on the mainstream of bilateral diplomacy. Hungarian opposition groups had neither such direct and open, nor such scale covert support from the US as did Solidarity in Poland. Although from the American side objections were made to incidents such as police inquiries, questionings, house investigations, arrests and even other measures (making individuals lose their jobs, for example), all these did not come to a halt or a break in US – Hungarian relations.

In Hungarian – American relations the regular contacts with two well-known philanthropes, Armand Hammer and George Soros, make a unique and none the less colourful branch. The always eager for business founder of Occidental Petrol, and the pope of market speculations, who created Soros Fund Management LLC, although in different periods of the Kádár regime, and for various reasons had good relations with prominents of

the Hungarian People's republic. From the Hungarian point of view Hammer was a well-received businessman in the communist world from the beginning, while he also had been on good terms with Washington's elite – even with Reagan himself. George Soros, who in the beginning was received with suspicion, clearly had a role to play as a possible investor in Hungarian thinking. While from the mid-1980s Hammer had openly propagated the “Hungarian model”, Soros's influence – ironic as it is – became marked in the very last days of the regime.

#### IV. Publications

1. “‘A magyar modell’: a nyolcvanas évek Magyarországá” (“The Hungarian Model” – Hungary in the Eighties), *Heller Farkas Füzetek*, 6, 2008.
2. “Válság, recesszió, paradigma” (Depression, Recession, Paradigm), *Polgári Szemle*, 4(5), 2008.
3. “‘The Hungarian Model’ – Hungary in the Eighties in the Eye of Politicians and Experts in the Documents of the Hungarian Ministry for Foreign Affairs”, *Heller Farkas Papers: Is Hungary Really Different?*, 6(1), 2009.
4. “Válság, recesszió, paradigma”, *Valóság*, 52(6), 2009.
5. “Variációk egy témára - Aktuális gondolatok Randall E. Parker „Reflections on the Great Depression” című munkájáról” (Variations for One Theme – Actual Thoughts on Randall E. Parker’s “Reflections on the Great Depression”), *Polgári Szemle*, 5(1), 2009.
6. “‘A magyar modell’ - A nyolcvanas évek magyar-amerikai kapcsolatainak fejlődése, külügyi dokumentumok alapján” (“The Hungarian Model” – The Evolution of Hungarian – US Relations, Based on Previously Classified Documents of the Hungarian Ministry of Foreign Affairs), *Magyarország tényleg más? – Egy műhely vonzaskörzetében*, conference poster, PPKE-JÁK, 2009.
7. “Hosszú út Washingtonba: Grósz Károly 1988-as amerikai látogatása, és annak előzményei” (Long Way to Washington – The Antecedents and the Actual Visit of Hungarian Premier Grósz Károly in the US), *Rajzolatok a magyar történelemről*, szerk. Antos Balázs – Tamás Ágnes, SZTE, 2010.
8. “Az NSDD 75 megszületésének körülményei és hatása az USA Kelet-Európa politikájára” (The Birth of NSDD 75 and Its Effect on the US’s Eastern European Policy), *Szemelvények ötszáz év magyar történelméből*, Antos Balázs – Tamás Ágnes, SZTE, 2011.
9. “‘A magyar modell’. A nyolcvanas évek Magyarországá az amerikai külügyi politikusok és szakértők szemszögéből, a magyar külügyi dokumentumok alapján” (Hungary in the Eighties in the Eye of Politicians and Experts in the Documents of the Hungarian Ministry for Foreign Affairs), *Khronosz 2.*, 2012.
10. “Sodrásban – a Magyar Népköztársaság és az Amerikai Egyesült Államok viszonya a hidegháború lezárásának előestéjén, 1988-ban” (Going with the Tide – Relations of the Hungarian Peoples’ Republic and the United States of America on the Eve of Ending the Cold War, 1988), *Valóság*, 55(5), 2012.