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THE FUTURE OF U.S.–HUNGARY RELATIONS

HEARING

BEFORE THE

SUBCOMMITTEE ON EUROPE, EURASIA, AND EMERGING THREATS

OF THE

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THE FUTURE OF U.S.–HUNGARY RELATIONS

TUESDAY, MAY 19, 2015

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON EUROPE, EURASIA, AND EMERGING THREATS,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:18 p.m., in room 2200, Rayburn House Office Building, Hon. Dana Rohrabacher (chairman of the subcommittee) presiding.

Mr. ROHRABACHER. I call to order the Europe, Eurasia, and Emerging Threats Subcommittee for this afternoon's hearing on the Future of U.S.-Hungarian Relations. And after our ranking member and I each take 5 minutes for opening remarks, each member will have an opportunity for a short opening statement. And what we have now, I will wait to proceed. Well, maybe I should go ahead with my full opening statement now, and then when Mr. Meeks gets here, hopefully he will be getting here momentarily, he will be able give his opening statement. We will then proceed with a briefing by the Ambassador, and then the hearing will commence after that.

So everyone will be given a chance for an opening statement, but especially Mr. Smith has asked for permission today, and without objection, to be able to join our meeting and our hearing today and give an opening statement as well. So with that said, we will then proceed with our, okay, first panels and questions in for moment after we have this briefing from our Ambassador.

As we begin our—as we begin our conversation about Hungary today, let me underscore that Hungary is a NATO ally and a democratic country. The people of Hungary and the United States share a mutual respect for one another, and have a friendship built on shared values and democratic principles. My motivation for calling this hearing is not to bash any particular entity or take sides in Hungary's internal politics. I personally came up with the idea for this hearing. Those who suggest otherwise just don't know what they are talking about.

It is certainly not being done to support or oppose the current Hungarian government. We have taken every measure to ensure a diversity of perspectives and make sure that they are heard today. The relationship between Hungary and the United States is vital to both nations. Hungary's key geographic location in the heart of Europe makes it a critical crossroads between Eurasia and Europe and between the Baltics and the Balkans.

This hearing is part of the subcommittee's work to ensure that the bonds between America and our key allies remains strong and durable. Both of our nations have fought for our freedom, and we each work to perfect our democracies. We should be able to speak frankly and honestly in the spirit of mutual benefit. Since Minister Orban returned to power in 2010, Hungary has adopted a new Constitution and seen major changes in its electoral system. Those and other actions have led some to believe that Hungary is out of step with European values and damaging the checks and balances of Hungarian democracy.

Such accusations cannot help but cause concern, but I remain mindful of the political motivations and hidden agendas that may lie behind such charges and behind those who are making those charges. Last October, the tensions, which had grown between the government in Budapest and our own, reached a crescendo when six current former Hungarian officials—current and former officials were made ineligible for U.S. visas, ostensibly because of corrupt activity. The media storm which followed was not in the interest of either side.

I had the opportunity to visit Hungary last September, and I was impressed with much of what I saw. I was happy to hear the report from Hungary's Ambassador to the United States. I hope she can work well with our newly-appointed Ambassador in Budapest to make sure that we have progress in the future.

As we hear from our witnesses today about the bilateral relationship, where it stands and where it is going, I will be listening for any recommendations about how the United States can reach out to a better mutual understanding and determine how the United States Congress can play a productive role. During this hearing, undoubtedly, there will be some constructive criticism of the current Hungarian Government. I view this type of openness as a sign of a mature relationship that we have with Hungary.

Ironically, two witnesses with more positive views toward the current Hungarian administration withdrew from their commitment to me to testify. This reflected the sandbox turf mindset, read that stupid politics, that undermine—and I saw this same thing when I worked in the Reagan administration, it undermined the anti-Communist effort to get together and get the job done during the whole cold war, and I was very disappointed to see that same type of nonsense going on now when two people could have been up here giving their best to help us understand what is going on. And they are not here now, so their point of view isn't going to get as well represented.

But whether the criticism or praise, the people, the government, and the elected leaders of Hungary deserve our respect and our evaluation, an honest evaluation. So regardless of what is said here, the kinship between the citizens of Hungary as manifested in their government, which they elected, and the people of the United States is of great value to us all and of great value to western civilization. The United States and Hungary are allies and friends, and that will not change.

And with that said, I am sorry that Mr. Meeks is not here at this moment, but Mr. Sires, you have a——

Mr. SIRES. I just have a short opening statement, if you don't mind.

Mr. ROHRABACHER. Short opening statement.

Mr. SIRES. Thank you, Mr. Chairman, for holding today's hearing. Since the fall of communism, Hungary has proven to be a key U.S. ally in eastern Europe. As Hungary broke free of the Soviet grip, Hungary has contributed hundreds of troops to western peacekeeping mission, particularly in Afghanistan.

Most recently, Hungary's Parliament overwhelmingly authorized the use of Hungarian troops to support the fight against ISIS in the Middle East. Unfortunately, like many of other countries in the region, Hungary has found it difficult to find other energy sources to diversify their supply beyond Russia. Until Hungary and the rest of the eastern Europe gain energy independence from Russia, the Kremlin will continue to have an influence in the region. It is imperative that we continue to engage with Hungary to ensure that democracy, human rights are protected, as well as encourage Hungary to continue engagement with the West.

I look forward to hearing from our esteemed panel, the one panel member, and how the U.S. can bolster their relationship with Hungary. Thank you.

Mr. ROHRABACHER. We will have a few more opening statements, and then the Ambassador will give us a briefing, and which will be a 5-minute briefing, and then the hearing will commence.

Mr. Meeks, with your permission, we have had a unanimous consent before you arrived, we have given Mr. Smith the right to have a short opening statement.

Mr. MEEKS. Absolutely.

Mr. ROHRABACHER. And then you will proceed with your opening statement. Mr. Smith from New Jersey.

Mr. SMITH. Thank you very much, Mr. Chairman. Let me just note that I will be—come back to the hearing. I am actually part of a investment in nutrition seminar with Melinda Gates. I have a prime—or a bill on global nutrition that has passed out of the Foreign Affairs Committee and will be focusing on the first 1,000 days of life from conception to the second birthday as a transformative time, so I regret that I will have to leave, but I will try to get back as quickly as possible.

Mr. Chairman, in written testimony of Deputy Assistant Secretary Hoyt Yee submitted for this hearing, the Obama administration has returned to its previous pattern of criticizing the domestic policy of the Hungarian Prime Minister Viktor Orban, which has proven to be both counterproductive and hypocritical in the past. Many of us had hoped that the Obama administration policy had changed. We were concerned that his prolonged and sometimes extremely outspoken public campaign against the Orban government had permanently alienated many Hungarians from the United States.

In February, the administration seemed to take a new tact. This started after the recall of Andre Goodfriend, our deputy chief of mission, whose politically charged behavior gave him the reputation of the leader of the opposition in Hungary. And I would ask the distinguished Deputy Assistant Secretary why was he recalled?

Since the arrival of our new Ambassador in Budapest, Colleen Bell, it was reported that the atmosphere was improving. DAS Yee will testify that Hungary has proved to be a reliable partner in helping to address challenges such—in places such as Afghanistan, Iraq, and the Balkans, and then Hungary supported sanctions the EU imposed on Russia over its sanctions in Ukraine, their actions in Ukraine, and has provided assistance to the Ukrainian Government, and that our security cooperation with Hungary has been, in his words, excellent.

Yet with the testimony of Mr. Yee, it seems that the administration has gone back on the offensive. Many of Mr. Yee's criticism, for example, about centralizing executive authority, weakening checks and balances, deepening the investment climate, making changes that advantage entities that support the governing party and using a super majority to make sweeping changes would more accurately describe the Obama administration.

Again, when the Obama administration had the super majority, that is when ObamaCare was passed. You have the votes. Do it. When you didn't have the votes, you couldn't get it done, but when you had the votes, you did it. And then it was also the IRS scandal, the Benghazi coverup, and a myriad of other executive orders that bypassed the Democratic process.

As I said before, the administration needs to be a lot more humble in its dealings with Hungary and the Orban Government. Otherwise, it creates the impression of hypocrisy and fosters an environment in which anti-Westernism thrives. Right now, that is represented in Hungary by Jobbik, a disgusting anti-Semitic and pro-Iranian party. This should be the administration's chief concern.

As chairman of both the Human Rights Subcommittee and as chairman of the Helsinki Commission, I repeatedly met with foreign leaders and diplomats who privately expressed amazement and bewilderment at the administration's obsession with attacking the Orban government, or shake their heads in disbelief or irony or worse. They are reacting to what they perceive to be a disproportionate double-standard, misrepresentations, and inaccurate information in that campaign.

Once again, the conversation between two countries must be a conversation between friends and equals. So I urge the administration to conduct that accordingly. This is a conversation between equals. There is a lot we can learn from the Orban government, for example, the constitutional cap on public debt as our careens out of control.

Finally, I have dedicated my life to ending human trafficking. Anti-human trafficking bills are often difficult to pass. Ted Poe just had an important bill passed yesterday, and it took a long time to do so. When I first introduced the Trafficking Victims Protection Act in 1998, the legislation was met with a wall of skepticism and outright opposition. My bill's key provisions were opposed by the Clinton administration. Howard Coble testified right here at my committee against almost every provision in the bill, including the establishment of the trafficking in persons office; namely, sanctioning countries that failed to meet minimum standards prescribed in the bill, and even the comprehensive TIP report itself.

People both inside of government and out, sought the bold new legislation that included sheltering, asylum, and significant protections for the victims, long jail sentences and active confiscations for the traffickers and tough sanctions for the governments that failed to meet those minimum standards was merely a solution in search of a problem.

So as prime actor of that landmark Trafficking Victims Protection Act, as well as reauthorizations in 2003, 2005, I am encouraged by the important anti-trafficking efforts and leadership by the Orban government. As a matter of fact, most recent U.S. Department of State TIP report, June 2014, the new one will be out soon, while you urging increased efforts noted that—on prosecution, "The government of Hungary sustained anti-trafficking enforcement efforts."

A new criminal code with anit-trafficking provisions came into effect in July 2013. On protection, the government of Hungary increased efforts to protect trafficking victims, and, of course, more can be done, should be done, but they have made progress. And on prevention, the government of Hungary sustained prevention efforts by utilizing multiple platforms to prevent human trafficking. Inexplicably, DAS Hoyt Yee makes no mention of this. I thank the chair and yield back.

Mr. ROHRABACHER. Might I add that Mr. Smith is a man who is always a voice of courage and morality when people belittle some of the issues that you talk about. They are of utmost importance, and you are a person I dearly respect for the energy and time you put in on things like this, so thank you for sharing your thoughts with us today.

Mr. Meeks, who I also admire deeply and am very grateful that he is part of our subcommittee and our ranking member, Mr. Meeks, do you have an opening statement?

Mr. MEEKS. Thank you, Chairman Rohrabacher, for holding this hearing to provide us with a status update on America's relationship with Hungary. With the West's attention justifiably being focus on the Ukraine and our larger strategy, vis-à-vis, Russia, we must not overlook the importance of NATO allies that have different concerns than we do and simultaneously, have changing domestic political landscapes.

In recent years, I have traveled to Hungary and I met with leaders, many who are still in the party in power of Fidesz. But times are changing, and to Fidesz's right, we see an increasingly popular Jobbik party, a party that overly uses anti-Semitic and anti-Roma speech. As Jobbik rises in the polls, Fidesz must address the far right and not appease it in my mind. The Hungarian government and its people should understand that we support our common democratic values that are also reflected in the NATO alliance. This is essential.

When I think of Hungary, I think of 1956 and the uprising against Soviet policies during which over 2,500 brave Hungarians lost their lives. I think of Goulash communism and the quiet reforms that Hungarians pushed through until the ultimate fall of communism. I think of NATO allies who sent 150 troops to join the fight against ISIS. Hungary paid a high price for its freedom from fascism and communism and ultimately for its ability to live in a

democracy. Yes, in a democracy. Even in older ones, including our own, freedoms are not always given, and it is up to the political leaders and the media and the civil society to advance these liberal ideas.

Today, we are looking at U.S.-Hungarian relations, and I am interested in discussing Hungary's role as a reliable NATO partner and member of the EU. Now, there are things that gives one concern, of course, when you hear the prime minister praising illiberal democracies, and we have got to figure out how we work collectively with Russia and also with China, and China and energy deals that puts Moscow's economic sphere. How can we make sure that we are working together with Hungary so that we can also make sure that we have Hungary's cooperation and their ours?

This is especially important as European and our Transatlantic unity is being tested by Russia, and I understand our different geographies and histories and economic realities, but it is imperative that we maintain unity when we are talking about someone taking over sovereign property as Russia has done in the Ukraine.

Also, in today's hearing, we will hear about human rights and democracy issues that are of concern. I particularly am concerned about the treatment of the role of minority either in the justice system or as a forgotten minority is extremely troubling. A healthy democracy includes and protects all of its citizens. New media laws, along with new Constitution, are, in my opinion, some of it is questionable, if not in their spirit, then definitely in their implementation.

This comes, as I mentioned before, with the rise of the ultra right in the backdrop. The Hungarian Government, along with its European partners, have to work together to obviate this threat. Just today, the European Parliament held a plenary debate with Prime Minister Orban on the situation in Hungary. Now, this is not, and I am clearly—want to be clear on this, this is not an attack on Hungary. For surely I would want individuals to also talk about the situation, for example, currently that we are having here in America with African Americans throughout. So this is not something that is isolated in Hungary.

I am just going to speak out just as I speak out about situations here in the United States. I am going to speak out about issues that I think that are taking place in others, and this is what I think friends should do with friends. We have got to be honest with one another and talk to one another to try to resolve issues that we may have, and this is what a democracy should allow us to do so that we don't have to, you know, hold back words. This is what maturity is all about, that we discuss these matters.

And so I would love to discuss—like I said, I think that there is some problems here in the United States with minorities, and them being taken care of properly, and I also think, from what I have seem with Roma and others, minorities in Hungary, I think this is dialogue that good friends should have honestly if we are going to move forward.

So I hope to hear from our experts about your opinions on Hungary's progress and its difficulties. Transatlantic unity, whether it is on trade, whether it is on Russian sanctions or protecting the common values that we fight for everyday, is something we must

work hard at deepening. I look forward to the fruitful discussions that we can explore what Congress can offer, and to do to help guarantee both economic growth, a healthy democracy, and peace for all in the region.

You know, right now in Washington we are looking at trade deal with—in Asia with TPP, but there is no real pivot just to Asia. We got to make sure that we focus on our old friends in Europe and right across the Atlantic and come closer together, and we can only do that with honest dialogue between the two of us. And I yield back, Mr. Chairman.

Mr. ROHRABACHER. Thank you very much, Mr. Meeks.

And now we have the chairman of another subcommittee who just was courteous enough to allow me to have my statement and my time period today. Judge Poe, you may proceed with any opening statement that you have got.

Mr. POE. I want to thank the chairman for having this hearing. As already been said, I think the United States and Hungary have a unique relationship for a lot of reasons. It concerns me that we seem to be meddling in domestic affairs of one of our close partners. Surely the United States needs to have a dialogue regarding international foreign relations. I am not so sure the United States would likely take kindly if other countries decided to meddle in our policy and tell us how we should change our policy, and we will discuss that with the witnesses.

The new Constitution is not like the United States Constitution, but it is a Constitution, and Hungary is operating under that Constitution. It seems to concern a lot of people, this is just my opinion, that Hungary's major party is center right, and the second strongest party is far right, being a center right government or population. That is the choice of the Hungarian people. That is not the choice of the United States, nor should it be the choice of the United States what type of government, either left of center, far left, right, right of center should be made. I frankly don't believe that that is any of the United States' business. That is meddling in a domestic relationship situation that we—or domestic situation that concerns me as an American where we take the—maybe the approach that we know better than the people of Hungary.

I don't know that we do in certain domestic issues which we will explore later with the witnesses. So I do want to thank the witnesses for being here and the chairman for holding this. I value the relationship that we have with the nation of Hungary, and we need to work together on a lot of issues. We should be careful in pushing the American agenda, whatever that is, on other countries, whether they are friends or not friends, and I will yield back.

Mr. ROHRABACHER. Thank you very much, Your Honor, Judge Poe, and now call as our first witness—actually no. I will now call to brief us 5 minutes for our hearing, the Ambassador from Hungary to the United States, Ambassador Szemerkenyi, and you may proceed for as long as you would like to talk, and then thank you.

[Whereupon, the hearing proceeded to a briefing.]

[Hearing resumes.]

Mr. ROHRABACHER. Thank you very much, Madam Ambassador, and that was the briefing portion of our hearing, and you could be

excused now. We now have witnesses that we will proceed to the podium. Thank you, Madam Ambassador.

Ambassador SZEMERKENYI. Thank you very much.

Mr. ROHRABACHER. So if we could have our panel of witnesses. Please proceed. It is my pleasure to welcome back Deputy Secretary of State Hoyt Yee. He was appointed to his current post in the bureau of Europe, Eurasia, and in September of last year. He is a career foreign service officer and previously stationed in such places as Afghanistan, Greece, and most recently in—he was the DCM in Croatia. All right.

And Andras Simonyi is the managing director of the Center for Transatlantic Relations at the School of Advanced International Studies at Johns Hopkins University. He is the former Hungarian Ambassador to the United States, serving in that capacity from 2002 to 2007.

We have Kurt Volker, who is the executive director of the McCain Institute for International Leadership. He is a career member of the U.S. Senior Foreign Service. He has held a number of positions with the State Department, including at our Embassy in Budapest, speaks fluent Hungarian, and before leaving government service, he was U.S. Ambassador to NATO. And Tad—and I am going to have to pronounce his name. Stahnke.

Mr. STAHNKE. Like Eddie Stanky, sir

Mr. ROHRABACHER. Stahnke. Is vice president for research analysis at Human Rights First. Prior to that, he worked for the United States Commission on International Religious Freedom. He is an expert on international human rights law.

I just introduced four people, but there is only three people here; is that right? And here he is. Mr. Yee, you have just been introduced. All right. I tell you what we are going to do. I would like to have the other witnesses, let Mr. Yee just testify, and then we will have the final team of witnesses come forward, and that gives Mr. Yee a little bit more time to get questions from everybody. So here we go.

Mr. ROHRABACHER. Mr. Yee, I have already introduced you, and I had—was singing your praises. Yeah, that will be the day. So with that said, Mr. Yee, you go right ahead.

Mr. YEE. Thank you.

Mr. ROHRABACHER. You got to punch that button.

STATEMENT OF MR. HOYT BRIAN YEE, DEPUTY ASSISTANT SECRETARY, BUREAU OF EUROPEAN AND EURASIAN AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. YEE. Thank you, Mr. Chairman, Chairman Rohrabacher, Ranking Member Meeks, members of the subcommittee. Thank you for inviting me to appear before you today to discuss Hungarian-U.S. relations.

Hungary is a valued ally, partner, and friend of the United States. The strong bonds between our nations are rooted in our shared commitment to democratic values. Hungary has been a reliable partner on such issues as Afghanistan, the Balkans, and Ukraine. Hungary supported Europe Union sanctions on Russia and has provided gas by reverse flow to Ukraine.

Our security cooperation has been excellent. Our economic and people-to-people ties are strong, and the friendship between the American and Hungarian peoples is enduring. Recognizing the many areas where cooperation is strong, even the best of friends have differences, and when we do, we can and should speak openly about them.

As a member of NATO, the European Union, and the organization for security and cooperation in Europe, Hungary is committed to upholding democratic values. Over the past 5 years, as we have witnessed the Hungarian government take such steps as weakening checks and balances and undermining institutional independence, we have spoken out in private and in public. We have seen, including recently in eastern Europe, the disastrous consequences of failing to uphold the principles and values that underpin democracy.

As Assistant Secretary Victoria Nuland has said, we can only be strong when we protect political pluralism, civil society, and the right to dissent within our own borders when our governments are clean, transparent, and accountable to the people they serve.

Since 2011, we have made clear to the Hungarian Government our concerns about how it has used its two-thirds majority in Parliament to push through a range of legislative and constitutional changes that have centralized executive power, diminished checks and balances, and restricted freedom of the media.

The 2014 parliamentary elections illustrated how the government changed the rules to its advantage. The OSCE's Office for Democratic Institutions and Human Rights reported that the main governing party enjoyed an undue advantage because of restrictive campaign regulations, biased media coverage, and campaign activities that blurred the separation between political party and the state.

Also, in 2014, the government undertook a campaign against nongovernmental organizations that have served as independent voices and have received funds from Norway. The NGOs are still waiting for their names to be cleared. Their confiscated equipment to be returned, and their tax identification numbers restored.

I would also like to highlight the problem of corruption, which degrades institutions and saps the will to protect them. Instead of responding forcefully and transparently to allegations of corruption, the Hungarian government has allowed the problem to fester, has protected certain accused officials, and has punished the accusers. Perhaps most troubling, from the highest levels of power in Hungary, we have heard rhetoric about building an illiberal state on national foundations and praise for autocracies. Such comments do not do justice to the democratic values that Hungary has pledged to uphold.

In 2014, the U.S. Government raised its concerns about Hungary's democracy at the OSCE and in the President's speech in which he cited Hungary's intimidation of civil society. In addition, we applied Presidential Proclamation 7750, suspending the right of certain Hungarian official suspected of corruption to enter the United States. Ambassador Bell, in country since January, has made clear that our concerns persist.

The United States Government has not been alone expressing these concerns. As the European Union, counsel of Europe, and OSCE have also spoken up, as have independent organizations such as Transparency International and Amnesty International.

And importantly, concerns about democracy in Hungary are shared by many Hungarians themselves. The United States has also expressed concerns about the rise of ethnic nationalism. The problem is, of course, not unique to Hungary, but increasingly prominent there. We hope to see greater efforts to strengthen the climate of tolerance more consistent with the Transatlantic values to which Hungary has subscribed.

In recent months, we have seen some positive signs. For example, leading up to the vote on deploying troops for the anti-ISIL coalition, the coalition and governing party leaders consulted with other parties and relevant parliamentary committees. We look forward to additional steps and more substantial ones by the Government of Hungary to address the issues I have raised here today.

I would like to reiterate, in conclusion, that Hungary remains a friend, partner, and ally that we have expressed our concerns—and that we have expressed our concerns in that spirit. It is important for Hungary to represent transatlantic values not only for its own future, but also for it to be a strong, reliable partner on global challenges for the United States and its other allies. Thank you.

[The prepared statement of Mr. Yee follows:]

Testimony by Deputy Assistant Secretary Hoyt Yee
House Foreign Affairs Committee – Europe Subcommittee
Hearing on Hungary, May 19, 2015

Chairman Rohrabacher, Ranking Member Meeks, Members of the Subcommittee, thank you for inviting me to appear before you today to discuss Hungary.

Hungary is a stalwart ally, valued partner, and close friend of the United States. The strong bonds between our two nations are rooted in our joint membership in key transatlantic organizations like NATO and in our shared commitment to the democratic foundations on which those organizations are based. Hungary has been a reliable partner in helping to address challenges in such places as Afghanistan, Iraq and the Balkans. Hungary supported sanctions the EU imposed on Russia over its actions in Ukraine and has provided assistance to the Ukrainian government. Hungary is one of several countries that has provided reverse-flow gas to Ukraine and has an important role to play in regional energy security. Our security cooperation with Hungary has been excellent, as exemplified by the presence of the U.S.-sponsored International Law Enforcement Academy (ILEA) in Budapest. Our economic ties and people-to-people exchanges are strong as well, and Hungarian-Americans have been an important part of the American tapestry for generations. The friendship between the American and Hungarian peoples is enduring.

The United States remains strongly committed to Hungary as an ally, friend and partner, and we recognize and appreciate the many areas where our cooperation is strong. Even the best of friends have differences. And when we do, we can and should speak openly to each other about them. As a member of NATO, the European Union, and the Organization for Security and Cooperation in Europe (OSCE), Hungary is committed to upholding democratic values and safeguarding the democratic and rule of law institutions that sustain these bodies.

This is not empty rhetoric. We have seen repeatedly, including recently in Eastern Europe, the disastrous consequences of failing to uphold the fundamental principles and values that underpin democracy and freedom. We need our allies to be strong. And it's important that that strength be not only military, but also in the institutions that undergird the state and society, such as rule of law, an independent judiciary and a free press. Assistant Secretary Nuland has said, "We can only be strong when we protect political pluralism, civil society and the right to dissent within our own borders; when our governments are clean, transparent and accountable to the people they serve." Since internal weakness invites nefarious influences from the outside, NATO needs all of its members to be internally strong.

And as a fellow member of that global democratic family and as we have witnessed steps that the Hungarian government has taken over the last five years – weakening checks and balances and undermining institutional independence – we have spoken out.

For example, as we pointed out in our Human Rights Report and Investment Climate Statement, the Hungarian government used its two-thirds supermajority in parliament to push through legislative and constitutional changes that centralized executive power, weakened the judiciary, and dampened the investment climate.

In 2011 the Hungarian parliament adopted a new constitution and a series of amendments that restricted the Constitutional Court's ability to check other branches of government, expanded the Court's size – creating vacancies for government-backed appointments, and protected new laws from scrutiny so they could not be ruled unconstitutional. Many changes advantaged entities that support the governing party and were rushed through without consultation or debate.

The government also undermined the independence of oversight institutions by restructuring and re-staffing them. The governing majority removed incumbents from office before terms had expired and appointed its own party loyalists.

Free, independent media and their unrivaled ability to shine a light on corruption or abusive state power are a key democratic pillar. As the State Department noted in its Human Rights Report, Hungary's 2010 media laws restrict media freedom by increasing government influence over the media. The laws stipulate that individuals could be held liable for published statements or for publicizing libelous statements made by others. Journalists could be judged criminally responsible for making or reporting false statements. Human rights organizations criticized the media laws, particularly emphasizing the broad scope of regulatory control of a non-independent administrative body. Since then, the Hungarian media environment has become dominated by outlets that are either state-run or sympathetic to the government and self-censorship seems to have become more widespread.

In 2014, national parliamentary elections were held in Hungary, and in this instance as well the government changed the rules to its advantage. As the OSCE's Office for Democratic Institutions and Human Rights reported: "The main governing party enjoyed an undue advantage because of restrictive campaign regulations, biased media coverage and campaign activities that blurred the separation between political party and the State. The legal framework for these elections was amended substantially in recent years. While some changes were positive, a number of key amendments negatively affected the electoral process, including the removal of important checks and balances. A new constitution and a large number of cardinal laws, including electoral legislation, were adopted using procedures that circumvented the requirement for public consultation. This undermined support for and confidence in the reform process."

Following the 2014 election, the government undertook a campaign against non-governmental organizations (NGOs) managing funds donated by Norway, including police raids. The United States raised this issue at the OSCE, pointing out that the campaign appeared to be aimed at suppressing critical voices and restricting the space for civil society to operate freely. The groups targeted were notable for their stance of questioning government practices and policies. The situation is at a standstill, with proceedings pending and the NGOs waiting for their names to be cleared, their confiscated equipment returned, and their tax numbers reinstituted. We have urged Hungary to demonstrate its respect for civil society and free speech in this and other cases, not just with words but actions.

There is also the issue of corruption, which exists to some extent in all societies, but must be rooted out at every opportunity. Left unattended, it degrades the strength of our institutions and

saps the will to protect them. Instead of responding forcefully and transparently to allegations of corruption, the Hungarian government has allowed the problem to fester, protected certain accused officials, and punished the accusers.

Perhaps most troubling, from the highest levels of power in Hungary, we have heard rhetoric about building an "illiberal state on national foundations" and praising the superiority of autocracies while dismissing the distraction of "multiculturalism, political correctness and similar magic words." Such comments do not do justice to the democratic values that Hungary is pledged to uphold. As European Commission Vice President Frans Timmermans said in February, "we cannot allow illiberal logics to take hold. There is no such thing as an illiberal democracy. Our Union is built…on the principle that societies should be free and open, sheltered from arbitrariness and force… So I cannot repeat it often enough: Compromising on values is compromising on the EU, weakening it and bringing it to a standstill. There can be no Europe without full respect of our common values."

Pluralism and debate are integral to a democracy. Free media and unfettered civil society are essential to pluralism. In democracies, no one entity – no state, no political party, nor any one leader – ever has all the answers to the challenges faced by society. Governments by the people, for the people, and of the people should reflect the people they represent, and people need the latitude to work toward their own solutions. Democratic governments should ensure their citizens have that room, in an environment welcoming of different ideas and opinions.

The United States government has vocally raised its concerns about the negative trends in Hungary's democracy over the last several years, both publicly and privately. In 2014, the United States made several statements at the OSCE's Permanent Council and Human Dimension Implementation Meeting citing the government of Hungary's intimidation of civil society and the media. In addition, we have applied Presidential Proclamation 7750, suspending the right of certain Hungarian officials to enter the United States for engaging in or benefiting from official corruption. In September, the President cited Hungary in his remarks at a Clinton Global Initiative event on civil society, saying "From Hungary to Egypt, endless regulations and overt intimidation increasingly target civil society." We have urged the Hungarian government to end unwarranted investigations of NGOs receiving Norway funds and allow them to operate without further harassment, interference, or intimidation. Ambassador Bell has been in place since January and has made clear that our concerns persist.

The United States has not been alone in expressing these concerns. The erosion of democratic institutions in Hungary has garnered scrutiny from various bodies, including the European Union, the Venice Commission and the Commissioner for Human Rights of the Council of Europe, and the OSCE. We have been working with partner countries to address these issues, both bilaterally and in the EU. In addition, independent organizations such as Transparency International and Amnesty International have cited issues with Hungary. And, importantly, concerns about democracy in Hungary are shared by many Hungarians themselves.

The United States has also expressed concern about the rise of extremism. While not unique to Hungary, ethnic nationalist rhetoric there has reached a very concerning degree. We would like

to see greater efforts to strengthen a climate of tolerance more consistent with the transatlantic values to which Hungary has subscribed.

In recent months, we have seen some positive signs. For example, leading up to the parliamentary vote on deploying troops as part of the anti-ISIL coalition, the government and governing party leaders in parliament engaged in substantive consultations with other parties and the relevant parliamentary committees. What we would like to see, what we need to see, are concrete and consistent steps to directly address and correct the issues I have raised here today. We have already gone on record regarding corruption and civil society, so those would be good places to start.

I would like to reiterate that Hungary remains a friend, partner and ally and that we have expressed our concerns in that spirit. It is important for Hungary to represent transatlantic values not only for its own political and economic future, but also for it to be a strong partner on global challenges – as it was for the first two decades after the 1989 fall of communism.

Thank you again for the opportunity to testify before this Committee.

Mr. ROHRABACHER. Well, thank you very much for your testimony. We will proceed with questions for the Assistant Secretary, and I will start it off with, if you had to compare Hungary to, let's say, Bulgaria, Romania, all the neighboring, those neighboring countries, the criticisms that you just leveled, would you say that Hungary is worse than they are in these areas?

Mr. YEE. Well, thank you for that question, Mr. Chairman. I think it would be difficult to generalize across the board whether Hungary is worse in all the categories. I think in some ways——

Mr. ROHRABACHER. Let's be specific then. Is there any gerrymandering going on in Bulgaria and Romania?

Mr. YEE. I am not aware of a gerrymandering process ongoing now, sir.

Mr. ROHRABACHER. I guess we have to look closer to home to find gerrymandering, don't we? Not very far. I seem to remember that happened in our first election as a free country.

The—is there bias in the news media in those countries against candidates that may be running for office? You know, you have the out party, does—is there a bias against them in Bulgaria and Romania against those candidates?

Mr. YEE. I believe it is possible to find bias in the media against political candidates, party leaders in any country.

Mr. ROHRABACHER. Right. So there is bias in the media. My gosh——

Mr. YEE. I would include——

Mr. ROHRABACHER. There is no bias in media here, of course. All right.

What about the NGOs? The NGOs that were put out of business that you mention, were these NGOs made up of people from Hungary, or we talking about foreign NGOs involved in their system?

Mr. YEE. They were Hungarian——

Mr. ROHRABACHER. Hungarian.

Mr. YEE [continuing]. Citizens.

Mr. ROHRABACHER. Okay. Well, because it is hard to tell. Sometimes what we have today are NGOs that end up being financed by outside interest groups in these countries, and we don't know whether they are local, and certainly everybody has a right to express their opinion and they should not be repressed. And the Ambassador suggested that the NGOs that were attacked were basically engaged in some sort of economic fraud. Was that—is there any truth to that?

Mr. YEE. We understand there is an ongoing investigation, Mr. Chairman, but the impression that the United States Government has and the overwhelming consensus of the international community is that the manner in which the investigation or the police raid on these NGOs was conducted was far in proportion to what it should have been.

Mr. ROHRABACHER. Okay. So they just weren't open about their—the charges that they were charging them with or——

Mr. YEE. There was a police raid on the headquarters of NGOs which equipment was seized. Tax identification numbers of the NGOs were confiscated.

Mr. ROHRABACHER. You know, I had a friend here. Unfortunately he is not here now. His name is Curt Weldon, and you know, his

daughter's home was raided just 2 weeks before at the election by the FBI. Hmm, I wonder if these things happen in different countries, too. I mean, maybe even right here. So let's put it in perspective. That doesn't make it right. That does not make that right, but that may mean that what we are talking about here is not so much out of the ordinary that it deserves to be a cornerstone or a reason for specific policy decisions.

And of course, did—you know, we do have a situation where Lois Lerner here in our own country was—did some investigations of their opponents, their political opponents, is that right? Did that happen here with our administration? I think it did. And, of course, here we have had a huge coverup of that, and over there, I guess they can have lots of criticism and the international community comes down on them.

With that said, I think that people shouldn't raid NGOs. I don't think there should be gerrymandering. I certainly think—don't think there should be corruption in these societies, but when we are dealing trying to decide what the foreign policy of the United States is going to be all about, where we are going to put our pressure, it better not be singling out a country that is so friendly to the United States as Hungary is, because if they are not doing something uniquely bad, we are singling out friends rather than trying to seek truth and make things better.

With that, I will yield to my friend, Mr. Meeks.

Mr. MEEKS. Thank you, Mr. Chairman, and it is always good following you.

Mr. ROHRABACHER. You got my back.

Mr. MEEKS. Actually, some of the things, you know—I think, as I said in my opening, and you missed that, Mr. Yee, unfortunately. I think that when you have friends, you can be honest with friends, and you can talk back and forth. I think there is room for criticisms in various democracies. Surely in ours, there is room for criticisms.

As I stated in mine that when I look at the scenario that is going on in this country now as reflected with African Americans, and what is taking place across with the shooting of young African American men, and the criminal justice system, that is questions that I will take, and just as I will ask questions about the treatment of minorities in Hungary and other places, I think that is where we need to talk so that we can work collectively together so that we can try to figure out how this system works better.

I also think that it is important that we try to work as a group in unison, and I know that with our NATO allies, we have got concerns that we have got to work there collectively together. So in the spirit—and I should have said earlier, because anytime I am here, and I can think of my recent visit to Hungary, one of the individuals that come to mind who was born in Hungary but was a great American who dedicated his life to being a champion of human rights was the former chair of this—of the Foreign Affairs Committee, Tom Lantos, and so I can't help but raise his name and his life's legacy to the great relationship that we now have with Hungary.

But Tom, when I hear of Tom, and as I visited Budapest and looked at, you know, what has been and what is the relationship

today, we have a great—a great relationship of which can only get better if we are honest with one another and we talk back and forth.

With that, you know, where my questions will go around, because I am really concerned about Russia and what has taken place in the Ukraine, and the taking of territory, and I know, and I think Hungary voted for sanctions, although it expressed reservations about sanctions, so my question is—there is going to be a new vote soon to renew the sanctions this summer that is coming closely. Have you got any feelings or have any indication, I should say, as to what we can expect in regards to Hungary with the renewal of sanctions against Russia coming shortly?

Mr. YEE. Thank you. Thank you very much, Mr. Meeks. I have heard from my Hungarian colleagues, including from the Ambassador here today, that Hungary intends to maintain consensus with other EU members and maintaining sanctions, and have not heard any indications that that is in—is going to change anytime soon.

We do, as you mentioned, sir, we have heard some reservations expressed by political leaders in Hungary about the consequences, economic consequences of the sanctions upon those countries which are enforcing them. And it is certainly a fact that the sanctions have an impact on countries in the European Union, on the United States of America, in applying these sanctions, but so far, we still have a consensus that it is essential to make sure that Russia continues to pay a cost for what it is doing in Ukraine.

Mr. MEEKS. So—and there is no question in my mind that Russia—excuse me, Hungary is a very important member of NATO, and the EU, and I want to make sure that we are maximizing our relationship because of energy concerns and because one1 of the things that we are hearing, that—and this is not just true of Hungary, this is true of some other countries, you know, when I hear of America's involvement in NATO, especially with reference to defense budgets and the amount of money that needs to be put up in NATO for all countries, I wouldn't—are we leveraging or encouraging Hungary and other countries like it that are not putting up its fair share into defense spending for NATO so that I don't have to go back to my constituents and saying it is just the United States that is putting up all the dollars into NATO?

Mr. YEE. Thank you. Thank you, Ranking Member Meeks. We agree completely, of course, that it is essential that NATO remain strong, and I think that is one of the central messages that I wanted to make today is that we are concerned about and eager to help Hungary because it is a NATO member, and as Hungary relies on us and other allies, we rely on Hungary to be a strong member of NATO, and that is why institutions are important, democratic institutions which are the backbone of the strength of any democracy

As far as ensuring that our allies do meet their obligations to NATO, whether it is financial or in terms of military capabilities, that is an important part of our dialogue with all of our NATO countries. Hungary is one of the NATO allies that is not meeting the goal of spending 2 percent of its GDP on defense. Like other NATOs at the Wales Summit last year, Hungary committed to increase its spending toward the 2 percent target, and we are also

encouraging Hungary to spend more on modernization of its military. So this continues to be one of the important points we raise with Hungary and will remain so.

Mr. MEEKS. My last question is this. And it is a concern that I just have in a number of different countries, but I just like to get your viewpoints. I always get extreme—whether it is in the United States or anyone else about extremes. Extreme left, extreme right, either way, I am concerned about extremes. And it seems to me, and you can correct me, I am just really just trying to figure this out, that there is a rise in popularity of extreme right in Hungary that have basically an anti-immigrant and an anti-Semitic, and you can correct the language that I have been hearing coming out of there, it seems to me to be alarming.

So is that—am I right, is the administration concerned about the growth of the extreme right in Hungary? Am I incorrect? Is that, from your viewpoint, not happening? Would you give me your opinion in that regard?

Mr. YEE. Thank you, Representative Meeks. We do share your concern about the apparent rise of the extreme right, not only in Hungary, in other countries in Europe. But we do, as I mention in my statement, notice that there is a—an ascendence of the far right. According to latest polls, the far right party, Jobbik, may be reaching, if it hasn't already reached, the number two position among parties in popularity in Hungary, which is alarming, considering it is a not only anti-immigration, it is anti-Semitic, anti-foreigner party at least in the views and policies it espouses.

So while we certainly believe that—in free speech, in the right of all parties to be represented, and the people of the citizens of Hungary to choose whom they want to represent them, we do believe it is important to watch trends, especially alarming trends in either anti-Semitism or xenophobia or anti-immigration in a way that is at odds with democratic traditions and democratic values that—on which the European Union and NATO are based.

But we do think that as long as there is a government in Budapest that respects basic democratic principles of plurality, of democracy, of rule of law, that the space for such extremists for right wing extremists or any extremists will be narrowed.

Mr. MEEKS. Thank you

Mr. ROHRABACHER. And now Colonel Cook.

Mr. COOK. Thank you, Mr. Secretary. I want to go back to some of the comments about NATO, and I am a little concerned about this because obviously, it is a very, very fragile organization, and you talked about, you know, where we start singling out particular countries. We could, you know, make criticisms about the Erdogan regime, if you will, the swing to the far right, the Muslim Brotherhood situation may be changing in Spain with the—their new government, and I won't even go into Greece. So I think you always got to be careful when you hold this organization together.

And you talk like Hungary is—didn't make their obligations. But who has met that 2 percent obligation? What, three countries, if I remember correct, out of 28. Do the math. It is not very good. And I am very, very worried that this—an ally such as Hungary, if a scenario develops, and we have talked about this in House Armed Services Committee where you had a situation where Putin and

Russia decides to pick off the weak link in their minds, and that might be Estonia or Lithuania or Latvia, because of its geography and proximity to the old Soviet bloc, and the question is: Will certain countries not support NATO? And in your opinion, would Hungary be there for us in such a scenario, which has been discussed by many of our military leaders?

Mr. YEE. Thank you, Representative Cook. I would like to put into context——

Mr. ROHRABACHER. Could you push the button.

Mr. YEE. Apologies. Thank you, Representative Cook. Just to put in context briefly. The concerns that I expressed about Hungary would apply to many other countries. We are not simply isolating Hungary.

Mr. COOK. I agree, but right now we are focusing on that, and a part of me wants to say, well, wait a minute, they committed troops to Afghanistan as opposed to other members. My fear is that if you have one member that does not support this action, then NATO is going to fall apart. So that is why specifically, what we can talk about all the other 27 countries, and whether they would do it or not, and I am trying to figure out, perhaps I am worried about the weak link and they are a lot closer to the geography than we are and some of the other countries.

Mr. YEE. I would agree, Representative Cook. The alliance is only as strong as its weakest link.

Mr. COOK. That is right.

Mr. YEE. And what we are trying to talk about today, the point I am trying to get across today is that we need to look beyond the immediate and into the future about where the alliance will be if we do not address some of weaknesses. So I would say the alliance is strong today and will be for the foreseeable future if we don't see new problems, new challenges to alliance, strength.

Mr. COOK. And I understand that. I am trying to put you on the spot, if it is not obvious, and I just want your opinion based upon your experience, whether you thought Hungary would support the alliance. I think they will, but from your testimony here today, I get the feeling that you think they won't. I just want you to—it is your opinion. You know, it is—of course you are also the assistant secretary. I guess it might make a little difference.

Mr. YEE. Well, sir, the answer to the question is yes, Hungary has been a strong NATO ally. I am sure it will remain one.

The question I am raising today is how do we ensure that Hungary and our other allies continue to be strong not only in terms of their military capabilities and the financing they are providing to support NATO, but within internally strong, their democratic institutions, the values and principles on which the alliance and the commitments that we make to our allies is based.

Mr. COOK. Thank you. I yield back.

Mr. ROHRABACHER. Mr. Sires.

Mr. SIRES. Thank you, Mr. Chairman.

You know, it has been difficult for nations in eastern Europe, like Hungary to completely turn away from Russia when the majority of their energy comes from Russia. And we don't seem—Europe or us, we don't seem to be working very hard trying to provide an alternative to Russia. And I am just concerned that bashing Hungary

or keep talking about Hungary, when we become very selective in the countries that we talk about with corruption and undemocratic ways, it is just going to drive Hungary more toward Russia.

And do you have any concern about that? And I know, look, we are friends and we should talk. We should be able to sit down and talk about differences and everything else, but I think that is B.S. You know, this is hard-core politics here. I mean, they got Russia right next door, you know, putting a lot of pressure on this country. We, quite frankly, keep losing friends, and I am concerned that if we go down this road, we are not going to be able to count on Hungary.

Can you talk a little bit about that?

Mr. YEE. Thank you, Representative Sires.

I would answer that it is precisely for that very reason, our shared concern about Russia's maligned influence in Eastern and Central Europe that we need to have these kinds of candid conversations with our allies about how to be strong together, individually, in facing the threat that Russia poses. So that includes, for example, on energy where Hungary is—I think Hungary would admit is overly dependent on Russia for its energy. Over half of its gas, 80 percent of its oil, it depends on Russia——

Mr. SIRES. Well, we have known that for a long time, and we don't seem to make the effort to wean them away from this dependency, either by us or by Europe.

Mr. YEE. Sir, I would respectfully say that we are trying very hard to help Hungary, specifically in the area of energy security.

My colleagues from the Department of State who work in the Energy Bureau, Special Envoy Hochstein has devoted a lot of time working with the Ambassador in a previous capacity and in her current capacity in trying to find ways to help Hungary diversify its energy and to increase its energy security by finding alternative routes, supplies, a better mix of energy types, and to cooperate with other countries in the region who have similar problems, and to better interconnections, new routes, can lessen their dependence on Russia.

I would agree—I fully agree that we have not so far been successful, as successful as we need to be, but we are working very hard to find solutions to that energy dependence.

We are also working very hard together, as we discussed earlier, in maintaining a common front against what Russia is doing in Ukraine, pursuing its aggression in Ukraine. By standing together Hungary, United States, other allies, EU members, we are exacting a high cost on Russia. We are having an impact on Russia's economy, and we believe this is the right course.

So I guess the short answer would be, Representative Sires, that we believe we need to do both. We need to work together in these areas such as energy security and in pushing back against Russian aggression in Central and Eastern Europe. And we also need to have the hard conversations with each other about what we need to do to strengthen our base, make sure that internally we are also strong.

Mr. SIRES. But sometimes, you know, this conversation doesn't have to be so public like we do with other countries. You know, I

don't see us bashing China as, you know, as we bash Hungary. And, you know, and other countries, quite frankly.

Mr. YEE. Sir, what I would say to that is that we always begin, in any of our diplomatic discussions, with private conversations, private discussions, in Budapest or in Washington, and the importance, we believe, needs to be placed on results. If we get results with the quiet diplomacy, then we should proceed in that direction. If we don't get the desired results, we have to try something new.

In this case, we felt it was important that we ensure the public, and Hungary also was aware of the U.S. concerns, that it was not the United States itself that took this discussion public. In some cases it was Hungary itself that made the discussion public about the corruption, for example, and the pursuit of the visa travel bans. The OICE European Union, those organizations also brought these concerns to public discussion. So I completely agree. It is better to do it behind closed doors, but sometimes we need to go to a different mode if it is not working in the first——

Mr. SIRES. I just think the European Unions have to step up a little bit more to assist some of these countries on the Eastern part because it just can't be on us. You know, it always falls on us and the taxpayers of this country. Thank you.

Mr. ROHRBACHER. Well, thank you very much. We have—Judge Poe just—just one question we were making sure that we aren't having a double—what we are hearing is we think we are having a double standard against somebody who is our friend, and that is sort of the spirit that is coming out of this questioning, and, you know, you push our friend away if you have a double standard to judging him.

Let me ask you, have we pulled the—any official recognition or have we pulled the visas for any Bulgarian or Romanian officials for corruption?

Mr. YEE. I can say, Mr. Chairman, I am not sure whether we have in those countries. We have in many other countries. The 7750 authority applies to——

Mr. ROHRBACHER. I really want to focus—the reason I am focusing on Romania and Bulgaria is because they are right there. They are neighbors. And if they don't have the same—if they are not the same type of policy toward them as we have toward Hungary, it would seem like a double standard, not if say—let's say maybe countries like Tibet or some other places are different, but—or maybe England, but—so we need to know whether or not this is—whether or not this government is being picked upon because of ideological reasons by this administration or whether or not this administration is upholding a standard that we can be proud of. So that is what that is all about.

Mr. YEE. So thank you, sir, for the question. The short answer is there is no double standard. We apply the same standard in all countries.

Mr. ROHRBACHER. Well, the question actually was whether you had done it in Bulgaria or Romania, and the short answer would be yes or no.

Mr. YEE. Well, actually, sir, if I could just say that we do ban people from Bulgaria and Romania from traveling to the U.S. for reasons of corruption, but we don't use necessarily the same au-

thorities in Hungary and other countries. I would have to get back to you on what authorities we use. But I can tell you for sure that there are people from both those countries who are not allowed to travel to the U.S. because of corruption.

Mr. ROHRBACHER. Yeah, sure. But top government officials is what we are asking about here because it is not just citizens——

Mr. YEE. And I do mean—sir, just to clarify so I don't—I'm not misunderstood. There are government officials or former government officials from Romania and Bulgaria who are not allowed to travel to the U.S. because of reasons of suspected corruption.

Mr. ROHRBACHER. Could you send us that list? That would be great. If you could make sure we have a list of those people.

Mr. YEE. I can't send you a list, sir, but I can send you the numbers. I can send you the numbers.

Mr. ROHRBACHER. You can't send us the names?

Mr. YEE. The information—well, I will have to check to see if I can. It is not publicly available. The names can't be released publicly, just as we didn't publicly release the names of the people in Hungary. So not to apply a double standard.

Mr. ROHRBACHER. Good. That is a great answer.

Judge Poe. But now you are up against Judge Poe.

Mr. POE. Thank you for being here. You weren't here for my opening comments, and I—let me preface everything with this. I have been called a lot of things in my life, but I have never been called a diplomat. So I am not very diplomatic, and I would hope that you would just give me candid answers and not explain your answer unless I ask you to.

The Russians and the Ukrainians—or, excuse me, the Hungarians are coming up upon a time table to get gas from Russia. Russia holds Hungary hostage like they do many other countries, 87 percent of their gas comes from Russia. This contracthas been coming up. They don't sign the contract. The Russians are going to double it unless there is an alternative.

Has the United States done anything to sell American gas or to get it to Hungary either directly, indirectly, whether it is LNG, helping them develop their own energy so they have gas? I am not talking about green energy. I know it has been the policy of the U.S. telling Hungary you got to go to green energy. Set aside green energy. They need gas. This is contracts coming up, up the governmenthas got to make a decision. Have we said: Here is an alternative. You can buy some gas from Texas. They got more than they can use.

Now, I am serious about this. Have we done anything to make sure they can get gas from America instead of Russia?

Mr. YEE. Yes, sir.

Mr. POE. What? Are they going to be able to get gas from the United States when this contract comes up?

Mr. YEE. We are doing two things, sir, to help Hungary and other countries in Europe get more gas.

One, as you, sir, know better than I, we are authorizing the export of LNG, and that is a process that could begin, as I understand it, as early as 2015 exports.

Mr. POE. But that is too late. They have got a contract coming up now. If they don't sign the contract, the Russians are going to

double the price of natural gas down the road, 2015 is too late. It is not like we knew this was coming up last week. We knew the contract was coming up 15 years ago.

So the answer is no, we have not done anything to give them an alternative immediately from Russian gas. Is that right?

Mr. YEE. Sir, I would respectfully disagree. Just the fact that the U.S. is producing more gas now has lowered the price of gas worldwide. That has helped Hungary. That has helped all the countries of Europe that import gas.

Mr. POE. But Russia sets the price of gas that they are going to sell to Hungary.

Mr. YEE. Yes, sir, but it is a lower price because they have to deal with the market prices worldwide. So we are doing something, sir.

Mr. POE. So you say that the United States has affected the price of natural gas and the Russians are not going to double the price if they don't sign this contract?

Mr. YEE. Sir, I don't know what the Russians will do.

Mr. POE. Well, I think fair guess is that since it is a monopoly that Gazprom has on all of Europe, and the United States has been diddling on selling natural gas to other countries because of our regulatory process, they are going to be held hostage and they are going to have to buy Russian gas. Now, that is my opinion.

Did the United States support or not support the new Constitution in Hungary?

Mr. YEE. We have serious concerns with the Constitution.

Mr. POE. So did we support it or not support it when it became the law of the land?

Mr. YEE. We expressed concerns when it became the law of the land.

Mr. POE. Why?

Mr. YEE. For a number of reasons, sir.

First, we believe that the Constitution and the amendments and the number of laws that were passed between 2010 and 2013 centralized executive authority——

Mr. POE. Okay. Let me interrupt right there on that one question.

Is it true that the socialist party did not participate in the debates on the new Constitution? Is that true?

Mr. YEE. I don't know.

Mr. POE. Well, I think maybe you should check that out. They did not participate in the new Constitution. The Constitution and a new government has been elected under the news Constitution. You mentioned that you are concerned, that we are concerned, about the government being right of center, far right.

Would we be just as concerned if they were left of center or far left?

Mr. YEE. Sir, I didn't say that I had concerns about the government being right or left. It was the extreme right parties who seem to be growing in popularity, anti-Semitic, anti-foreigner, anti-immigration parties that seem to be growing more popular. That is not my concern with the government.

Mr. POE. So you are not concerned with the government.

Mr. YEE. My concern with the government is about its tendency to consolidate power, to not leave space for an opposition, to weaken the judiciary, to weaken freedom of the media, to weaken civil society.

Mr. POE. So we are trying to make a democracy in our image with one of our neighbors. Isn't that basically it? We want to import whatever our policy is about democracy. We don't want a centralize government over in Hungary, although we seem to have a pretty centralized government in the United States. We don't want one in Hungary. We want them to change their immigration policy, even though they have had a 20-fold increase of illegal immigration in just 2 years. So that is what the United States is really doing. We want a democracy in our image.

Isn't this just meddling into their domestic relationship, and isn't that causing ill will for us arrogantly to go to another country and say: We don't like the way you are doing things domestically. We wouldn't like it if some other country came over here and said: We don't like the way your democracy is.

For, after all, the Constitution, are you familiar with the first phrase in the Constitution? I have heard that this was objectionable to the United States. You know what the firsts phrase in the Constitution of Hungary is? Do you know?

Mr. YEE. No.

Mr. POE. God bless the Hungarian people. I have heard that we have had problems with that in the United States because it mentions a deity.

I am out of time.

I will put all my other questions and then I will get answers in writing.

Mr. ROHRBACHER. Thank you very much, Your Honor, and unfortunately, Mr. Yee, you are going to have another Texan following another Texan here.

Mr. WEBER. Or fortunately, depending upon your point of view.

Judge Poe, just slide your notes over here for me. Would you?

Mr. Yee, when you were discussing with Congressman Meeks about the extremes, and the Congressman said he was concerned about extremes, it looks like he is extremely cautious, you responded to him by saying that you were concerned about the extreme right. But you didn't mention the extreme left. I just want to mention that for the record. You can go back and listen to your comments.

You said that you were concerned about the anti-immigrant trend over there.

Do you have examples? Can you quote going back 2 and 3 and 4 years their immigration flow? Can you give us proof of that?

Mr. YEE. I am sorry, sir, I don't understand the question. The numbers of immigrants.

Mr. WEBER. You were saying they are becoming anti-immigration. Is that right?

Mr. YEE. There is a rise in popularity of a far right extreme party named Jobbik which among other——

Mr. WEBER. Gotcha. Has that affected the flow of immigration into Hungary?

Mr. YEE. I don't know. I don't know.

Mr. WEBER. So you don't really have any numbers to back that up in terms of how it is affecting immigration, you are just seeing a bunch of rhetoric out in the public.

Mr. YEE. Sir, I didn't make any comment on immigration itself. My concern is about the presence of an extreme right party which is anti-Semitic, anti-foreigner——

Mr. WEBER. But not an extreme left party.

Mr. YEE. If there were a problem with it, an—I am against extremism, sir, of any kind. Any extremist party.

Mr. WEBER. But you don't really have any facts to back that up on immigration itself.

One of the other members had a good—compare it to its neighbors. It might have been the chairman.

How do you compare Hungary's, let's just say, stance against Russia with Crimea, for example? How would you make that comparison?

Mr. YEE. The comparison between Hungary's position on——

Mr. WEBER. Well, Crimea, Romania, Bulgaria. You really didn't answer that question. Well, we are going to say Crimea because there is a history there.

So is Hungary in a position to be favorable toward Russia? And if so, would you say the natural gas played a role in that?

Mr. YEE. Sir, I have to say I don't understand the question.

Mr. WEBER. Okay. I think the chairman asked you. You are not making a comparison. You are saying a lot of bad things about Hungary, and yet you have got other countries right there, Romania, Bulgaria, and I would even add Crimea, that you are not making any comparison to those neighboring countries. You are just singling out Hungary. Why?

Mr. YEE. Well, sir, I would be happy to talk about the other countries because I also cover them. I came prepared to talk about Hungary. That was the topic I thought——

Mr. WEBER. Okay. Is Hungary more favorable to the United States than those other countries are?

Mr. YEE. I don't believe it is possible to make that generalization, sir.

Mr. WEBER. Okay. All right. Well, let me move to my next question.

You said they are working very hard on energy, and the judge over here had a good—and I have LNG plants in Texas.

You said that importance is placed on results. Those are your words.

Okay. How about the speed with which—by which those results are reached? Would it be better for Hungary to get natural gas from us sooner or later?

Mr. YEE. Sooner.

Mr. WEBER. That is pretty easy. Isn't it?

Okay. So on LNG permitting, and I have got a lot of it in my district on the Gulf Coast of Texas, have you been pushing the administration, the Department of Energy, FERC, to really get on top of this and make sure that we can get as much LNG?

Now, you did mention the fact that there is a lot of it, but I would argue that it is in spite—gas is very, very plentiful, in spite of this administration, not because of. Okay. And have you really

been pushing the administration to release that LNG and get those permits in gear high speed?

Mr. YEE. Sir, I have not my answer——

Mr. WEBER. That seems to contradict your position here.

Mr. YEE. My answer was in response to the question what is the United States doing to help Hungary. And these are the two areas where we are trying to help. But I would never say, sir, that we very exhausting all possibilities——

Mr. WEBER. Is that a product more of the private sector, or is that of the government sector, all the gas that we have now?

Mr. YEE. I wouldn't dare to speak on behalf of the private sector, sir. I am talking about U.S. policy and what we are trying to do with our partners in Europe.

Mr. WEBER. Okay. But in your opinion, you are an American, do you think that that gas has been produced because of the administration or because of the private sector?

Mr. YEE. Sir, it has got to be a combination.

Mr. WEBER. It has to be a combination, 50/50, 60/40, 70/30? Put a ratio on it.

Mr. YEE. I am not competent to answer that.

Mr. WEBER. You are not competent to answer that. Okay. Well, you have an opinion and you know the answer. It is more about the private sector.

Do you think that Putin is on the March?

Mr. YEE. Sir, well, thank you for that question.

We do believe that Russia is interested in expanding its influence in Eastern and Central Europe.

Mr. WEBER. Okay.

Mr. YEE. And it important that we find ways to——

Mr. WEBER. Okay. Is Hungary enough of a friend and an ally that we need to help protect them?

Mr. YEE. We have an obligation under a treaty to defend Hungary and our other allies.

Mr. WEBER. Okay. Will you leave here and go back to the administration and push for getting the gas permitted process as soon as possible?

Mr. YEE. Sir, I will carry the message back and do my best.

Mr. WEBER. All right. Thank you. I appreciate that.

I yield back.

Mr. ROHRBACHER. Thank you very much for joining us today, and it was a lively discussion, and we appreciate you putting yourself here with us and being really ready to answer these, and these were very tough questions for you, but thank you for being here, and don't think because we are asking tough questions that we don't admire you as a person and are grateful for the job you are doing for us, for our country, in the State Department. So thank you very much, and this witness is now excused, and we will be in recess for 2 minutes while the next panel comes—steps forward. Thank you.

[Recess.]

Mr. ROHRBACHER. We have permission from the ranking member to proceed. He is out making a phone call and will be back momentarily, but he gave his permission to proceed with the hearing, and the witnesses have already been introduced, and so I would just

ask if you could keep your testimony to about 5 minutes apiece, and let me note that we had planned to have one more—we plan to have sort of a positive witness—two positive witnesses and two critical witnesses, and that didn't work out.

The two positive witnesses that we had in fact cancelled precipitously on us, and that type of foolish behavior, people end up hurting their own cause when they do stuff like that, and, unfortunately, we tried our best. We have now at least got somewhat of a balanced panel because that is what we want—that is what you want to have. In my committee meetings we always struggle to get both sides and every argument on both sides presented, and that is the way I think you make decisions and are able to get to the truth, and that is what this is all about.

So we will start with Mr. Volker and just work our way down the line. 5 minutes apiece, and then we will go into the last round of questions.

STATEMENT OF THE HONORABLE KURT VOLKER, EXECUTIVE DIRECTOR, THE MCCAIN INSTITUTE FOR INTERNATIONAL LEADERSHIP, ARIZONA STATE UNIVERSITY

Mr. VOLKER. Great. Thank you, Mr. Chairman, and thank you members of the committee for having me.

I have worked with Hungary in one way or another for about 27 years. I started studying Hungarian in 1988. I remember the first phrase my teacher taught me was [speaking foreign language.] Which is: Don't be mad at me because I am late.

I served in Hungary at the U.S. Embassy in the mid-1990s when we moved the U.S. Army from Germany to Bosnia and had to set up U.S. bases in Hungary. I worked very closely with Major General Jim Wright, who was the commander of the 21st TAACOM. He was a Texan, and I remember him saying as he left Hungary after all of this that, "I am proud to be an American. I am proud to be a soldier. If I weren't an American soldier, I would want to be a Hungarian." And that is the kind spirit that I see between our countries and between our values and what I believe we should represent together as an alliance.

I want to make three basic points. One about the context that we are working in; two, about Hungary itself; and, three, about U.S. policy.

Context is important. Russia is on the move, as you asked. Putin is imposing authoritarianism at home. He has invaded Georgia, he has invaded Ukraine. He has annexed Crimea. He is putting a lot of pressure on countries in the neighborhood, including through energy policy. We have a very weak EU at the moment. Europe is more divided today than at any time since it was forcibly divided by the Iron Curtain. It is divided east/west over things like Russia and Ukraine. It is divided north/south over things like immigration and the Eurozone. We have an EU that is looking inward. We have the United States that is much less engaged in Europe today than it was in the past. And when you travel in Europe these days, that is all you hear. Whether it is in the Baltics, in Germany, in Poland, in France, in Southern Europe and Central Europe, they are looking for more U.S. leadership and they don't see it.

That is the context in which forces rise up that we don't want to see. And we see this across all of Europe, not just Hungary. We see parties on the far right gaining in strength like the National Front in France. We see the Alliance for Deutschland in Germany. We see Jobbik in Hungary. We see a pro-Russian Czech President. We see a Slovak Prime Minister who in the past has been very oriented toward Russia. We see the nationalist parties in the Balkans digging in on their positions. We are seeing a Europe where the forces that we would like to see not be strong actually get strengthened in the face of a weak Europe and a retreating United States and a tough Russia. And of course Russia throws a lot of money around to try to influence these developments, paying for political parties, bribing politicians, taking advantage of corruption, corrupt business deals, mafia, intelligence services, foreign language propaganda, the whole works. So that is what we see in context here.

Within that, then, so, okay so what about Hungary? Hungary is, as has been pointed out here, a democracy, a market economy, an ally, a member of the European Union, and we have seen since 1989 a lot of development in Hungary over time. And if you visit there, you will see it is a great place.

There are things—and I should say I have known the Prime Minister, members of cabinet for 20 years. I have known the opposition leaders, current and former. I have got lots of friends there. Some who are very opposed to the government, some who are very supportive of the government. It is a place full of great people, smart people, people with strong opinions who disagree. People say if you put two Hungarians in a room you get three opinions at least. And that is the nature of Hungary. That makes it a robust democracy with a lot of disagreement.

Now, I look at many of the policies that the Prime Minister has undertaken in the course of his time as Prime Minister. I disagree with some of them, as anyone would. I have variously in private conversations described them as arrogant, capricious, self-centered or bone headed. But that doesn't mean he is tearing up democracy. It means he is a politician, and he is doing what he believes is right, and he has the votes in the country to sustain that. He is a very effective politician, very aggressive—I view him much more like a Chicago politician with a country instead of a city than a dictator or someone who is imposing something on the whole society.

Now, that being said, there are important issues in Hungary, and I think that they all deserve discussion and debate. But I think that they get discussion and debate inside Hungary from the different political parties, from opposition media, opposition television, opposition newspapers, friends of mine there—it is a very robust debate. There are protests outside the Prime Minister's house. That is okay. And that is how I think of it. So I don't think we should be accusing him of tearing up a democracy. I think we should have a partnership where we are trying to work on big challenges together. If we have points of view, we can certainly express them, but we have got to do it in a respectful way where we are not telling them how to run their domestic politics just as we would not accept if they were telling us how to run our domestic politics.

The third point, then, is about U.S. policy. On U.S. policy, I think the key thing is to focus on is what do we want, and how do we

get it? What we want is to stop Putin from disrupting Europe, imposing authoritarianism at home, invading neighboring countries, tearing up Ukraine. We want to stop that. We want to stop Islamist extremism like ISIS, and we want our allies helping to do that. And we want our community, our Transatlantic community to be democratic and market economic, with good rule of law, good respect for human rights, and secure so that we don't have to worry about it for the future and future generations. That is what we want.

I think the way in which we have singled out Hungary and gone after areas where we do have some disagreements has actually caused more anti-Americanism inside Hungary. It has led the government to feel that it can't necessarily work with us as closely as it could because of domestic perceptions. It has driven them to want to get back at us in some ways. And so it is just not a constructive way to get what we actually want.

Now, we may have these disagreements, but we really got to think as a matter of U.S. policy how do we do that. I think that in the last 6 months or so I have seen some improvement in this. I think we have been working a little bit better with Hungary. I respect our new Ambassador from Hungary as well as our new U.S. Ambassador there. I think they have made an improvement, and I think that if we are working together as allies based on shared values with common perceptions about what is going on around us, we will be able to forge a very strong partnership with Hungary.

Thank you.

Mr. ROHRBACHER. Thank you very much.

[Mr. Volker did not submit a prepared statement.]

Mr. ROHRBACHER. Mr. Stahnke.

STATEMENT OF MR. TAD STAHNKE, VICE PRESIDENT, RESEARCH & ANALYSIS, HUMAN RIGHTS FIRST

Mr. STAHNKE. Stahnke, yes, sir. Thank you. Like Eddie Stanky the baseball player.

Thanks for holding this hearing. It is very important, the future of U.S./Hungary relations. Hungary is an important country. It is an important ally to the United States, and it should be a concern, we believe, to the United States when an ally is taking steps that call into question commitment to democratic governance and the rule of law. And so I appreciate the opportunity to be here.

I will say a few words about Hungary and then say a few words about recommendations.

And since 2010 the government of Prime Minister Orban and his Fidesz party has made sweeping changes to Hungarian constitutional and legal systems. And a number of these changes have eroded the rule of law, human rights protections, and checks and balances. This is not a human rights first unique interpretation of what is going on. We have looked at it. Hungarian human rights groups have looked at this. Hungarian human rights groups that have criticized governments from the fall of Communism. So not groups that have a special problem with this government, but groups that are—who are looking at holding the Hungarian government accountable to its international obligations, they have. Freedom House. The European Commission. The European Parliament.

The Fundamental Rights Agency of the European Union. The Council of Europe. The Organization of Security and Cooperation in Europe. All of these bodies have expressed concerns. And our own government has begun to express those concerns, as been mentioned. President Obama raised concerns about the treatment of civil society, and I will come back to that in a moment.

Also at the 10th anniversary of the OSCE Berlin Conference on anti-Semitism Samantha Power expressed concerns about the situation for anti-Semitism and related problems in Hungary. And, finally, Prime Minister Orban himself, who famously in the summer called on Hungarians to help build a non-liberal state. And that is not, you know, liberal in the U.S. political terms. He is talking about an illiberal democracy and looking toward Russia and China and Turkey as models. And that should be concerning, I think, to the United States for the reasons that we have mentioned. And that Mr. Orban's actions in some respects are not inconsistent with his words.

So a few points about that. The harassment continues of non-government organizations receiving foreign funding. This is a—and we can talk more about it if you like in questions, but, you know, Orban himself has singled out civil society organizations for particular criticism, calling them paid political activists who are trying to help foreign interests. And then the government launches an investigation, the details of which—the basis of which is still not entirely clear, and then police and special forces raid offices. They come with search warrants, and they search not only the office which is written on the warrants, but they demand to go to the organization head's home to search their home, which is not written on the warrant, but the woman is told that this is, you know, the new way that we are going to—we are allowed to implement our warrants in that way. So there are issues here.

And it was mentioned that the—a court, yes, reversed and said that these raids were not done in accordance with law, but there is still a cloud hanging over these organizations and still their tax ID numbers are being held—are being challenged, which would force them to shut them down. And it is not for the whatever underlying financial irregularities there might have been, but for a noncompliance—alleged noncompliance with the investigations, and it seems as though the groups have been compliant.

And needless to say, restricting NGOs because of their foreign funding only, which I am not saying necessarily has been adjudicated in this case, would be a violation of international standards and something of concern.

Also in the area of religion/state relations, the government has yet to change a 2011 law which deregistered hundreds of previously registered churches and required them to reapply under a politicized procedure, not my words. It is the European Court of Human Rights words, which required a two-thirds vote in the Parliament rather than a decision in the courts. They took the decision whether or not to recognize religious institutions from a court and gave it to the Parliament.

Mr. ROHRBACHER. Could I ask you to repeat that last point that you just made. I was trying—did it something—what did they do with the churches and——

Mr. STAHNKE. Sure.

Mr. ROHRBACHER. If you could just—I have trouble——

Mr. STAHNKE. Yeah. So in 2011, the government passed a law that changed how they were going to recognize religious organizations for the purposes of granting them privileges. Like many European countries, they have a system of recognizing religious institutions in order to allow them to get state subsidies or allow them to get tax—from the—you know——

So they changed it. There was—it was an administrative procedure that was governed by a court. They changed it to a administrative procedure that then would be ratified by the Parliament. Right? As though Congress was going to be the ones actually recognizing religious institutions or not, and they forced all of the recognized institutions to go through this new process. Hundreds of them.

This was challenged. It was brought to the European court of Human Rights. The European court said that this was a politicized procedure that violated the rights. These were groups who did not—who were recognized and were no longer recognized. It violated their right to freedom of association and freedom of religion. The government under that judgment is bound to revise its procedure. It has not yet done so. There are religious organizations who still remain unrecognized.

My third point has to do with anti-Semitism, nationalism, and political extremism. Elie Wiesel in 2012 returned an award to the Hungarian government expressing the following concern: Hungarian authorities are encouraging the whitewashing of tragic and criminal episodes in Hungary's past. That is the governmentstates' involvement in the deportation of Jews.

Since that time, the current government has pursued controversial historical projects in Hungary, including a new museum, a controversial monument that 30 Members of Congress asked him not to go forward with without consultations with the Hungarian Jewish community. Two days after the government—Obama was reelected, they started building the monument amid protests.

Mr. ROHRBACHER. And it was a monument to again? Do you want to repeat that.

Mr. STAHNKE. It was a monument to the so-called victims of a German occupation of Hungary, and it portrayed a weak compliant Hungary being attacked by an aggressive German eagle. And the complaints of the Jewish community was that—and others was that it did not adequately recognize those victims, and it caused some segment of the community to withdraw its support for the government's 70th anniversary commemorations of the Holocaust. And I want to be clear. President Orban has said there is zero toleration for anti-Semitism in Hungary. He said it recently. It is very important, very welcome, that he said it. Senior government officials have also recently said that the Holocaust was a disaster for all Hungarians. Very welcome. And, nevertheless, concerns remain.

There is a 2013 poll by the Europe Union Fundamental Rights Agency that said 50 percent of Hungarian Jews were concerned.

Mr. ROHRBACHER. You know, excuse me. You are only supposed to have 5 minutes. You got about 6 or 7, and you are going on 10 now.

Mr. STAHNKE. I am sorry. If I can just make a couple points about recommendations, sir.

Mr. ROHRBACHER. Be very quick because otherwise there will be no time for questions.

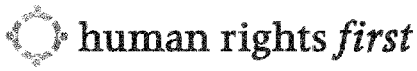
Mr. POE. Votes are——

Mr. STAHNKE. Yes. And I think that some combination of smart diplomatic pressure supporting embattled civil society and independent journalism, holding Orban to a zero tolerance pledge on anti-Semitism, and launching a better effort—U.S. Government launching a better effort to demonstrate the benefits to the Hungarian people of close ties to the United States and a democratic Europe is very important. And, finally, I think as we have been talking about, Congress should look more closely at Russian influence throughout the region and the pernicious effect that that has had on human rights and many other—many other things so we can get a better handle on that.

Thank you very much.

Mr. ROHRBACHER. Thank you very much.

[The prepared statement of Mr. Stahnke follows:]



American ideals. Universal values.

TESTIMONY OF TAD STAHNKE
VICE PRESIDENT FOR RESEARCH AND ANALYSIS
HUMAN RIGHTS FIRST

BEFORE THE HOUSE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON EUROPE, EURASIA, AND EMERGING THREATS
"THE FUTURE OF U.S. - HUNGARY RELATIONS"
May 18, 2015

Introduction

Mr. Chairman and Members of the Subcommittee, thank you for convening this hearing on the very important issue of the future of U.S. - Hungary relations. The situation in Hungary exemplifies several important challenges facing U.S. policy throughout the region, including growing nationalism, authoritarianism, official corruption, the growing strength of antisemitic and racist political parties, and the increasing influence of Russia. The United States cannot sidestep these challenges; nor can it rely on the European Union alone to adequately confront them. They are weakening the European Union from within at a time when a strong and healthy Trans-Atlantic Alliance is more important than ever due to Russian aggression in Ukraine. I appreciate the opportunity to be here today to share Human Rights First's findings and recommendations on how to advance a U.S. policy to try to help reverse the recent troubling trends in human rights, governance, and the rule of law in Hungary for the mutual benefit of the people of our two countries.

I. Erosion of Rule of Law, Human Rights Protections and Tolerance

Since 2010 the government of Viktor Orbán and his ruling Fidesz party has made sweeping changes to the Hungarian constitutional and legal systems, a number of which have eroded the rule of law, human rights protections, and checks and balances among democratic institutions. The government has taken several steps to harass nongovernmental organizations receiving foreign funding and to restrict the space for independent media to operate. It has also taken a number of controversial actions to promote a revised historical understanding of the period of the Second World War, which has, among other things, put it on a collision course with large segments of the Hungarian Jewish community. Moreover, the government is increasingly

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challenged by the overtly antisemitic and racist Jobbik political party – for which 1 in 5 Hungarians voted in April 2014 national elections, making it the second largest political force in the country. In the face of this challenge, the government has implemented a number of Jobbik proposals, and many analysts believe it is competing for votes with Jobbik. Finally, Orbán has increasingly looked to Vladimir Putin for support, while Jobbik has supported the Kremlin both at home and in the European Parliament.

Human Rights First is not alone in its assessment of Hungary's democracy and human rights performance. It is shared by several Hungarian human rights organizations, including those working since the fall of communism to hold successive elected governments to uphold their international human rights obligations. These groups are coming under increasing attack from the current government.

According to the 2015 Freedom in the World Report published by Freedom House, Hungary showed an overall decline in the major categories of Political Rights and Civil Liberties, as well as in the subcategories of Electoral Process, Functioning of Government, Freedom of Expression and Belief, and Associational and Organizational Rights. Additionally, according to Freedom House's Nations in Transit report, between 2010 and 2014 Hungary worsened in the overall Democracy Score from 2.39 to 2.96 (scale of 1 to 7, with 1 being the highest level of democratic progress) and in all seven indicators of freedom and democracy: Electoral Process, Civil Society, Independent Media, National Democratic Governance, Local Democratic Governance, Judicial Framework and Independence, and Corruption.

This assessment is also reflected in expressions of concern or censure by the European Commission, European Parliament, European Court of Justice, the Fundamental Rights Agency of the European Union, the Human Rights Commissioner of the Council of Europe, the Council of Europe's Venice Commission, the European Court of Human Rights and the Organization for Security and Cooperation in Europe.

In the last year, the United States government has also begun to express clear concerns about the direction in which Hungary is going. In September of 2014, President Obama mentioned Hungary as one of several countries that have targeted civil society organizations with "endless regulations and overt intimidation." In November 2014, at the 10th Anniversary of the OSCE's Berlin Conference on Anti-Semitism, U.S. Ambassador to the UN Samantha Power said:

> In Hungary – where the extreme ethnic nationalist Jobbik party finished second in May elections, and where public opinion polling has shown a high level of anti-Semitic attitudes, the government has cracked down as well on the independent press and civil society groups. According to international media watch dog, the Committee to Protect Journalists, Hungarian authorities have pressured the media to tone down or abandon sensitive, critical stories and punish the journalists and media outlets that press ahead. All this at the same time a new government-commissioned monument to the Second World War depicts Hungarian "victims of German occupation" – but makes no mention of the

major role the Hungarian government and citizens played in the mass extermination of Jews.

These concerns are also reflected in what Prime Minister Viktor Orbán himself has described as the direction in which he is taking Hungary. In July 2014, Orbán gave a speech in Băile Tuşnad calling on Hungarians "to abandon liberal methods and principles of organizing society" and to work instead towards "building… a non-liberal state." Referencing Russia, China and Turkey as models of social and political organization, Orbán expressed his belief that the era of liberal democracy—upon which the European Union and the post-Cold War European order have been built—is over. The evidence suggests that the United States should take Mr. Orbán at his word. His actions have been consistent with those words.

I have attached to my testimony details on the rollback of constitutional checks and balances, the independence of the judiciary, and the protection of freedom of expression and independent media. Here, I would like to focus on four other disturbing aspects of the current situation: (1) harassment of NGOs receiving foreign funding; (2) politicizing the decision making regarding recognition of religious organizations; (3) increasing nationalism and the threat from the antisemitic and racist Jobbik party; and (4) the growing alignment of Orbán and Jobbik to Moscow.

Harassment of non-governmental organizations – human rights and anti-corruption groups, independent media – receiving foreign funding

In May 2014, the Orbán government requested the Government Control Office (known by its Hungarian acronym KEHI) audit how a fund established by Norway and other non-EU countries called "Norway Grants" was being administered. Norway Grants provides funding for several Hungarian NGOs, including organizations concerned with human rights, corruption, and government transparency and objective news information. This action followed a smear campaign by state officials against the Hungarian operators of the Norway Grants program. It was also discovered that the government of Hungary had a list of 13 NGOs it deemed to be "left leaning" and "problematic."

Following an intrusive "on-site" KEHI audit and further demands for documents, two of the fund operators' offices were raided by the police where, among other things, documents concerning the 13 "blacklisted" NGOs were seized. A criminal procedure was also launched against one of the fund operators for potentially "unauthorized financial activities." Norway condemned and rejected each one of these steps. In October 2014, KEHI released an audit containing generalized concerns about the operation of the program; this "audit" was rejected by Norway, which announced it would conduct its own internal review. In the meantime, the tax numbers of the fund operators were suspended, threatening to shut down the organizations. Prime Minister Orbán himself has singled out civil society organizations for particular criticism, calling them "paid political activists who are trying to help foreign interests."

In January 2015, a court concluded that the government raids and seizures of the fund operators were unlawful. In February, an independent evaluation of the administration of the Norway Grants program validated the selection of the fund operators and stressed the importance of maintaining the operators' independence from the government. Nevertheless, the government continues its public targeting of NGOs. In February 2015, the head of the Prime Minister's office stated that NGOs should not only publicly account for where their money comes from, but also for their leaders' personal assets. Court hearings on the suspension of the tax numbers of the Norway Grants fund operators are expected in the late Spring. (A chronology of these events prepared by several Hungarian organizations is attached to this testimony.)

Introduction of Politicized Decision-Making into the Church-State Relationship

In 2011, the Parliament passed a new Church Act. This law de-registered hundreds of previously-registered churches, requiring them to re-apply for recognized "church" status – which confers several privileges not granted to other religious organizations, including receiving state subsidies – under a politicized procedure which requires a two-thirds vote in the Parliament rather than a decision by the courts. The European Court of Human Rights in April 2014 determined that this system is a "politically-tainted re-registration procedure," which violated the applicant churches' rights to freedom of thought, conscience and religion and freedom of association." (Magyar Keresztény Mennonita Egház and Others v. Hungary on April 8, 2014.)

The government alleged that many of the de-registered churches were receiving state subsidies unlawfully, in that they were not engaging in religious activity but using their church status as a shield. The European Court, however, stated that this charge – a primary reason for the change in the law – was never proven by the government. One of the de-registered churches that has been unable to obtain recognized status under the new law is the Hungarian Evangelical Fellowship Church, led by Pastor Gabor Ivanyi. This church has been critical of Fidesz policies.

Despite the passage of more than a year since the European Court's ruling, the government has yet to make the required changes to the law to bring the recognition procedure into line with Hungary's human rights obligations.

Antisemitism, Nationalism, and Political Extremism

Rewriting History of the Second World War Period

In 2012, Nobel Laureate Elie Wiesel returned an award given to him by Hungary because Laszlo Kover, the Fidesz speaker of the Hungarian Parliament, attended a ceremony honoring notorious Nazi sympathizer Jozsef Nyiro. Official parliamentary funds helped pay for the ceremony. Wiesel stated that "Hungarian authorities are encouraging the whitewashing of tragic and criminal episodes in Hungary's past, namely the wartime Hungarian government's involvement in the deportation and murder of hundreds of thousands of its Jewish citizens. The Nyiro incident is one

of several that continue to raise concerns about the Hungarian government's commitment to an officially sponsored campaign of historical revisionism, which includes rehabilitating major fascist figures of the 1930s and 1940s, accentuating Hungary's status as a victim of the Nazis, and emphasizing that Hungary "lost its 'sovereignty'" during the Nazi invasion, thereby minimizing the role that Hungarians played in the deportation and murder of Jews—both before, during, and after German occupation.

Portions of the Hungarian Jewish community expressed its concerns about historical revisionism in connection with the government's plans to build a Nazi occupation museum called the "House of Fates," overseen by Orban's controversial historical adviser Maria Schmidt. The Yad Vashem center for Holocaust research in Israel announced that it would not take part in building the "House of Fates," after the Federation of Jewish Communities in Hungary decided to pull out of that project and other government-sponsored observances of the 70th anniversary of the Holocaust. The government recently committed to sideline Schmidt and ensure that plans for the museum were shared with experts and would adhere to internationally-accepted historical standards.

A bitter dispute also erupted over Orban's plan to build a new World War II monument depicting the archangel Gabriel, symbolizing Hungary, being seized by the imperial German eagle, with an inscription that reads: "Memorial to the Victims of the German Occupation." Members of the Jewish community and other victims of the Holocaust said the memorial falsely implies that Hungarians were passive victims of the Nazi occupation rather than active collaborators. Orban suspended work on the memorial during the run-up to the April, 2014 elections, committing not to move forward without further consultations with the Jewish community. Two days after his re-election victory, and without any further discussions, workers broke ground for the memorial in central Budapest. Large demonstrations ensued and were forcibly dissolved by police. In May 2014, thirty Jewish members of Congress wrote a letter to Orban urging him to abandon the memorial. Nevertheless, on July 20, 2014, the statue was moved into Budapest's Freedom Square during the night to avoid protestors, and assembled under police guard. Protestors, including Holocaust survivors, stood outside the fence waiting for it to open. Demonstrators threw eggs at the statue.

Prime Minister Orban himself has committed the government to zero tolerance on antisemitism, and in the last two years, senior government officials have made statements decrying the Holocaust as a tragedy for all Hungarians and acknowledging the collaboration of Hungarian state bodies in the deportation of Jews. These welcome statements and commitments come as Hungary took its place in April of this year as the current Chair of the International Holocaust Remembrance Alliance. The government needs a sustained effort, however, to ensure that antisemitism and revisionism has no place in Hungarian politics and policy. Also, the government has not done a good job in reigning in the influence of the openly antisemitic and racist Jobbik party, discussed below, which has been gaining in both voting strength and influence. All of the developments have contributed to an atmosphere of uncertainty among members of the Jewish community. In a 2013 European Union report, almost 50 percent of Jews surveyed in Hungary said they had considered emigrating because they felt unsafe living as a Jew in their country.

Fanning Xenophobia

The Hungarian government is currently stirring up xenophobia apparently for political gain. The Financial Times recently reported that the government was preparing to send a questionnaire to eight million citizens asking whether they agree that immigrants endanger livelihoods and spread terrorism. The questionnaire will list 12 statements linking immigration to threats to security and incomes. Some of those questions include:

- "Do you agree that economic immigrants endanger the jobs and livelihoods of the Hungarian people?"
- "Would you support the government placing illegal immigrants in internment camps?"
- "Do you agree with the government that instead of allocating funds to immigration we should support Hungarian families and those children yet to be born?"
- "Do you agree that mistaken immigration policies contribute to the spread of terrorism?"

A letter will reportedly accompany the questionnaire suggesting that the government could hold illegal immigrants in detention centers and make new arrivals pay for the cost of their detention. The letter states, "Economic migrants cross our borders illegally, and while they present themselves as asylum-seekers, in fact they are coming to enjoy our welfare systems and the employment opportunities our countries have to offer." Immigration poses serious economic and security challenges that governments must take seriously—but asking the entire citizenry of a country leading questions linking immigration to security threats and lost income encourages hatred. As First Vice President Frans Timmermans of the European Commission stated, "Framing immigration in the context of terrorism, depicting migrants as a threat to jobs and the livelihood of people, is malicious and simply wrong—it will only feed misconceptions and prejudice." The Hungarian government needs only to look at Greece's Golden Dawn to see what can happen when governments stoke fear and resentment to compete with an extreme political party: xenophobia, prejudice, and violence. Not only are the government's statements xenophobic, but they're also unfounded. The Economist reports that most immigrants who enter Hungary do not stay—they are usually bound for other destinations in Europe.

Rising Antisemitic, Racist Jobbik

Jobbik was founded in 2003 by Gabor Vona, who is seen as a charismatic figure who casts himself as a defender of Hungary's traditions and territory against predatory foreigners. Unlike many other right-wing European leaders, who are virulently anti-Islam, Vona has written favorably about Islam and made common cause with Palestinians because of his hatred for Israel. In 2007, Vona founded the Hungarian Guard, a paramilitary organization, in order to recruit members to Jobbik and boost its popularity. The Hungarian Guard 's jack-booted members wore

uniforms similar to those of the Arrow Cross, a Hungarian fascist party that ruled the country at the end of the Second World War and collaborated with the Nazis. Before being banned in 2009, the Hungarian Guard began to held regular marches through Roma neighborhoods that terrorized the local population, often ending in rock-throwing and violence. The Roma are Hungary's largest minority, making up about 7% of the population, where they face official and private hostility and discrimination in employment, housing and education.

Anti-Roma demonstrations were held in 2012 in the town of Devecser, where a fight between Roma and other villagers had broken out, and "vigilantes" massed to "defend" the villagers against the Roma. Jobbik, "the official organizing force behind the event, included in the event well-known violent extremist organizations and paramilitaries." Three Jobbik MPs attended. Following anti-Roma speeches, the marchers proceeded to Roma houses and shouted such slogans as "You are going to die here!" Stones were thrown, but no one was injured. Videos of parts of the events were posted on radical-right websites. Police did not intervene.

Negative attitudes about Jews and Roma cut across a wide swath of Hungary's population and its political leaders. Nevertheless, Jobbik's leaders have tried to use their political gains to make it more acceptable to express antisemitic and anti-Roma hatred in the public discourse. Jobbik's overt antisemitism is shocking, as they skillfully comingle ancient canards about Jews and hatred of Israel with post-financial crisis anxieties. They whip up fears of "international" (i.e. Jewish) bankers destroying the Hungarian economy, foreigners buying up land, and Israel "colonizing" Hungary. They have also made virulently antisemitic statements on the floor of Parliament. Examples include the following from Jobbik officials, all of whom were re-elected to the Parliament in 2014:

> "Now is the time to finally say: Israeli occupation is ongoing in our homeland. This is a fact, for evidence we need only to think about the overwhelming dominance of Israeli capital investments, property developments in Hungary. And the Gypsy people are a biological weapon of this [Israeli occupation]. They use them as tools against the Hungarian people."
>
> —Eniko Hegedus, Jobbik Member of Parliament, May, 2011

> "The Israeli conquerors, these investors, should look for another country in the world for themselves, because Hungary is not for sale."
>
> —Gabor Vona, Jobbik President, May 2013

> "I think now is the time to assess…how many people of Jewish origin there are here, and especially in the Hungarian parliament and the Hungarian government, who pose a national security risk to Hungary."

–Marton Gyongyosi, M.P. and Leader of Jobbik's Foreign Policy Cabinet, Nov. 2012

Jobbik won 20 percent of the vote in Hungary's parliamentary elections in April 2014, up from 16 percent in the 2010 election. According to Reuters, "'Jobbik said that it hoped the people of central and eastern Europe would unite in an 'alliance that spreads from the Adriatic to the Baltic Sea,' to counter what it called Euro-Atlantic suppression." Following strong showings in European and municipal elections later in 2014, it is now clearly the second most powerful force in Hungarian politics. In April 2015, a Jobbik candidate won a by-election in the individual constituency of Tapolca. This is the first time that Jobbik has won outright vote in a geographical district.

Although the party has begun to institute a "makeover" to spruce up its image as it has become more popular, Jobbik officials still express antisemitic views. In early 2015, Jobbik Member of Parliament Gergely Kulcsár bragged about spitting on a memorial on the Danube commemorating victims of the Holocaust.

Jobbik has also gone on the offensive in court in an attempt to defend its reputation. It sued a respected historian, Laszlo Karsai, for calling it "neo-Nazi" and won that case in 2013. The decision was overturned on an appeal on the grounds that such definitions are made by historians and beyond the writ of the court. Nevertheless, Jobbik sued a TV station this year for calling it a "parliamentary far-right party." In a stance that raises fresh questions about the chilling effect of the new Hungarian legal media laws on the free media, the government's new Media Authority and Media Council, a media supervisory body appointed by parliament, both sided with Jobbik. On June 3, the Hungarian Supreme Court also found in favor of Jobbik, concluding that since Jobbik claims it is not a "far-right party," the TV station was expressing an opinion, which is only permitted during certain times as TV and radio news coverage is required to be impartial.

Viktor Orban's Fidesz party is increasingly competing with Jobbik for votes. Indeed, political analysts have noted that Orbán and Fidesz have implemented numerous policy proposals proposed by Jobbik. The research institute Political Capital recently released a list, attached to this testimony, of at least 10 such cases in the fields of social, economic and foreign policy.

Growing Alignment with Russia

Both Viktor Orbán and Jobbik have courted closer relations with Moscow. Although Orbán has not gone against EU sanctions against Russia, he has questioned their value while fostering an "Eastern Opening" policy that has sought to bring Hungary closer to Russia.

Nuclear deal:

Fidesz and Jobbik parties banded together as the Hungarian Parliament approved a nuclear deal with Russian financing and contractors in 2014. According to the Wall Street Journal, "Russian state-owned nuclear firm Rosatom will build a 2,000 megawatt addition to Hungary's state-owned

nuclear power plant MVM Paksi Atomeromu. Hungary is entitled to use the financing until 2025, at an annual interest rate of between 4.50% and 4.95% depending on the year of repayment." In February 2015, Parliament voted to keep the details of this deal secret for 30 years.

Gas to Ukraine suspended:

Hungary announced it would suspend gas supplies to Ukraine following pressure from Moscow in September of 2014.

High-level Visits:

Hungarian Prime Minister Victor Orbán visited Moscow in 2014 to solidify a nuclear energy deal and President Putin of Russia visited Hungary on February 17, 2015. Putin used the occasion of his visit to Budapest – at the height of tensions in Ukraine – to attack EU policy on the crisis and its relations to Russia. Following the visit, Hungary announced its opposition to an EU body set up to explore ways to achieve greater energy independence by the Union.

EU Sanctions:

In 2014 Hungarian Prime Minister Victor Orbán argued that EU sanctions on Russia harmed Europe more than Russia, although in the end Hungary voted with the EU on all Russia sanction motions.

The Kremlin and Jobbik have maintained a mutually beneficial relationship, part of a broader trend in Europe of Russian support for European far-right parties, who in turn work to undermine EU policy confronting Russian aggression in Ukraine.

Russia a Strategic Partner for Hungary:

Jobbik leader Gabor Vona in 2013 characterized Russia as a strategic partner against the "Euro-Atlantic Bloc." Jobbik has opposed Hungary's membership in the EU and in NATO. [https://euobserver.com/eu-elections/123887]

Espionage case vs. Jobbik:

In May 2014, Hungary asked the EU Parliament to revoke diplomatic immunity for Béla Kovács, a representative of Hungary's Jobbik party, so that they could charge him with spying on the EU for Russia. Kovács was also accused of moving Russian funds to support Jobbik, which enjoyed a well-financed campaign for the EU Parliament in 2009. The case is ongoing. The European Parliament's Legal Affairs Committee is expected soon to vote on lifting Kovács' immunity.

Jobbik member of EU Parliament lent legitimacy to Crimean vote on Russian annexation:

Belá Kovács traveled to Crimea as a Jobbik MEP to help oversee a referendum there on Russian annexation. He stated everything he saw conformed to international standards and said he

expected free and fair voting. Jobbik MEP's have also opposed sanctions against Russia in the European Parliament.

II. A Strategic Response for U.S. Policy

An increasingly authoritarian government inside the European Union that is seeking to blaze a path toward "illiberal" democracy and taking its cues from Russia and China is an increasingly problematic ally for the United States. This is true notwithstanding the stalwart support Hungary has provided to the United States for its wars in Afghanistan and Iraq, as well as other U.S. counter-terrorism efforts. The United States needs to help Hungary get back on the democratic track. The fact that an openly antisemitic and racist party who supports Russia and wants Hungary out of the EU and NATO is waiting in the wings indicates what is at stake. The United States cannot rely on the European Union alone to reverse the negative trends in Hungary.

The U.S. strategy needs to be a nuanced one, and the United States should be careful not to undermine Orbán to the extent that he is pushed further away from NATO and closer to Russia. However, it is equally important that the US demonstrate to Orbán that he cannot remain an equal partner in Western organizations like the EU and NATO while simultaneously courting Russia and supporting the creation of an "illiberal" state. The US government should find a way to express its dissatisfaction with Orbán while leaving him room to return to the fold.

Below are several recommendations to the Administration and the Congress to advance such a strategy.

Recommendations:

1. Apply Smart Diplomatic Pressure:

The US government and its allies should apply diplomatic pressure via Hungary's membership in multilateral organizations, including the Community of Democracies, the Open Government Partnership (OGP), and the International Holocaust Remembrance Alliance (IHRA). This diplomatic pressure should include preparing strong statements in response to the up-coming review in July of Hungary's status in the Community of Democracies and its chairmanship of the IHRA, which began in April of this year. It should also conduct an independent review of Hungary's performance on its OGP commitments if that contradicts the government's self-assessment, which is currently under way.

The US government should also communicate with members of the EU Council and Parliament to put pressure on Hungary via its membership in the EU and encourage greater Commission action to investigate the potential breach of EU data protection rules, state media advertising practices, the application of the tax law to the fund operators of the Norway Grants and the management of EU cohesion funds in Hungary.

2. *Support Embattled Civil Society:*

- A civil society defense fund for Hungary should be created. Such a fund could include trainings on constituency building, investigative journalism, grassroots organizing, and fundraising. The Congress can support this effort through language in the Foreign Operations Appropriations bill for the upcoming Fiscal Year.

- U.S. funding for NED, IRI, NDI, IREX, Internews, Freedom House, and others should support Hungarian civil society organizations in need of strengthening and training.

- The U.S. Embassy should be vigilant in response to government efforts to crack down on civil society, and the U.S. ambassador should speak publicly against any legislative proposals or actions by government officials and their allies to close the space for civil society and free opinion/expression in Hungary. Embassy staff should translate into Hungarian and distribute widely the human rights defender guidelines issued by the State Department in 2013.

3. *Combat Anti-Semitism, Racism, and Historical Revisionism:*

The U.S. government should hold Prime Minister Viktor Orbán to his zero tolerance pledge on antisemitism:

- Senior American officials should counter hate speech, violent crimes, and discrimination against Jews or other minorities with strong public messages of condemnation. The United States should publicly recognize any failure of senior Hungarian government officials to rebuke antisemitic, racist or homophobic rhetoric, or inaccurate statements about the Holocaust made by members of the ruling or any other political party.

- The Embassy should monitor closely the government's response to hate violence, and secure offers of U.S. and international assistance to help investigate and prosecute these crimes. The U.S. Embassy should support NGOs working in this area to monitor violence and advocate full investigations and prosecutions.

- Changes to school curricula and textbooks should be monitored to ensure that they do not promote revisionist versions of history or present writers from the fascist period without appropriate context. The Hungarian government should be pressed to heed concerns about museums, monuments or other publicly-funded commemorations of World War II history that promote historical revisionism, particularly regarding the role of Hungarians in the Holocaust.

4. Promote Independent Journalism:

The U.S. government should support investigative journalism throughout the central European region through fellowships, grants, capacity building, and technology transfers. With training and financial assistance, journalists should be encouraged to investigate corruption.

5. Fight Corruption:

- The U.S. Ambassador should speak to the Hungarian people about why official corruption in their country is a concern of the United States. An anti-corruption message which includes speaking out against sham corruption prosecutions and provides specific details of corrupt activities will resonate with the Hungarian public.

- The U.S. intelligence community should share information about corruption in Hungary and the region with its European counterparts in order to allow Europe to more effectively prevent corruption, which erodes faith in government and encourages impunity.

- The U.S. government should continue to prevent corrupt Hungarian officials and corrupt officials from elsewhere in the region from receiving visas to enter the United States.

- The State Department and the White House should work with Germany and other partners to highlight Hungary's corruption issues at meetings this year of the G-7 and G-20, and should provide bilateral and encourage multilateral funding of investigative reporting, monitoring by NGOs, and citizen participation in anti-corruption efforts

6. Enhance Public Diplomacy and Public-Private Partnerships

- The US government should develop a positive messaging campaign directed at the Hungarian public to help reinforce pro-American sentiment among the population, including a regional social media strategy to counterbalance the rise of nationalist, far-right, "Eurasianist" propaganda on the Internet. This social media strategy should be aimed at increasing the outreach of civic initiatives that strengthen core values of democracy, human rights and tolerance.

- The State Department and USAID should encourage public-private partnerships and U.S. trade and investment that benefits ordinary Hungarians, particularly youth, as part of a broader campaign to demonstrate the benefits of close ties to the United States and democratic Europe.

7. State Department Exchanges:

The State Department's International Visitor Leadership Program should continue to include members of Hungarian civil society promoting human rights, fighting corruption and advancing independent media and other citizen initiatives to promote good governance.

8. Congressional Concern about Russia's Influence in Europe:

- The U.S. Congress should hold a hearing on Russian influence in the Central European region and its effect on democracy, including the penetration of Russian propaganda into local media.

- The Congress should ask the administration to instruct the Director of National Intelligence to investigate allegations that Russian President Vladimir Putin's government is providing logistical or financial support to antisemitic, racist or white supremacist groups in Europe, and specifically investigate reports of loans made by Russian-connected banks to far-right European parties. The administration should present a classified assessment of whether the Kremlin is attempting to use such parties to undermine the European Union or thwart NATO expansion, and release an unclassified version to the public.

APPENDIX 1: Complaints from the European Union against Hungary

A long list of legal and administrative changes has prompted concern or censure from the European Union, the Venice Commission, the Council of Europe, the European Court of Human Rights, the OSCE and others concerning the rule of law, human rights, and checks and balances.

These include the following actions taken by the Fidesz-controlled Parliament and government:

The Independence of the Judiciary and the Authority of the Constitutional Court

- Increased the number of Constitutional Court judges from 11 to 15 and eliminated the requirement that agreement must be reached with the political opposition in Parliament in order to elect those judges, resulting in 8 of the current 15 judges being elected solely by the Fidesz two-thirds majority [1]

- Lowered the mandatory retirement age of judges from 70 to 62 and applied that new limit to existing judges regardless of when their current terms ended, resulting in removal of some 270 judges and many prosecutors, including almost 10 percent of the most senior jobs in the judiciary.[2] The Court of Justice of the European Union delivered a judgement on the matter on November 6, 2012 (Commission v. Hungary, C-286/12), concluding that Hungary failed to fulfil its obligations under Council Directive 20000/78/EC.

- Changed the method of court administration to concentrate into the hands of a single official—the President of the National Judiciary Office (OBH), elected by a two-thirds majority of the Hungarian Parliament. Gave this official the authority to transfer cases from one court to another without employing clear, objective standards.[3]

- Changed the competence of the Constitutional Court in ways that restricted its powers to review certain budget and spending legislation, personal data protection, religious freedom claims, and rights related to citizenship.

- Prohibited the Constitutional Court from reviewing proposed amendments to the Fundamental Law, thus rendering the Court unable to ensure that proposed amendments comply with constitutionally guaranteed rights.[4]

- Re-enacted several ordinary laws that had been overturned by the Constitutional Court in the form of Fundamental Laws, such as the provisions of the Fourth Amendment on the judiciary, court administration, recognition of churches and the authority of the Constitutional Court itself. Because the Constitutional Court cannot review these re-enacted laws, they have the force of constitutional law but are not subject to constitutional review.[5] The Venice Commission called this problem of shielding

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[1] The Tavares Report: http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2013-0229+0+DOC+PDF+V0//EN, p. 14
[2] Case of Baka v. Hungary. European Court of Human Rights. 27 May 2014. http://hudoc.echr.coe.int/sites/eng/pages/search.aspx?i=001-144139#{"itemid":["001-144139"]}; Venice Commission Opinion of 15 October 2012, paras. 74-81.
[3] The Venice Commission opinions on Hungary: http://www.venice.coe.int/webforms/documents/?country=17&year=all. Venice Commission Opinion of 15 October 2012, para. 60.
[4] Tavares Report, 17
[5] The Venice Commission opinions on Hungary: http://www.venice.coe.int/webforms/documents/?country=17&year=all. Venice Commission June 17 Opinion

ordinary law from constitutional review "a systematic one, which results in a serious and worrisome undermining of the role of the Constitutional Court as the protector of the constitution."[1]

- Repealed the case law of the Constitutional Court from 1989-2011, undermining its independence and abolishing important principles of the court on protection of fundamental rights, thus throwing into doubt the Court's ability to protect those rights.

Privacy

- Abolished the post of Commissioner on Data Protection, thus violating the independence of the post by prematurely terminating the term of the Commissioner, transferring the powers of the Commissioner to a newly established National Authority for Data Protection, which is under the Prime Minister's control. The head of the Authority is appointed by the Prime Minister and the President, rather than the Parliament, which had selected the old Commissioner. The Court of Justice of the European Union concluded in April 2014 that "by prematurely bringing to an end the term served by the supervisory authority for the protection of personal data, Hungary has failed to fulfill its obligations under Directive 95/46/ED" (Commission v. Hungary Case C-288/12)

Regulation of the Media and Free Expression

- Established the Media Authority and Media Council, which have power over content in the broadcast media and can impose very high fines that can lead to self-censorship among journalists. Key provisions of the legislation are not clearly defined, and the financial and editorial independence of the public broadcasters is not guaranteed.[2]

- Restricted political advertising during electoral campaigns in ways that clearly favored the ruling party.[3]

- Enacted hate speech provisions in the Constitution that impose a vague prohibition on speech aimed at violating the dignity of groups, including the "Hungarian nation." These prohibitions have only been used against members of the Roma minority.[4]

- Restricted independent media through the allocation of radio frequencies to almost exclusively government-loyal outlets, through biased reporting by the state broadcaster, and by the concentration of advertising revenue by state agencies and state-controlled companies in media outlets mainly owned by businesspeople close to the ruling party, resulting in many international investors leaving the media market and leaving fewer independent news outlets. A tax has been placed on 40 percent of all advertising revenues, resulting in a big blow to the German-owned TV channel RTL Klub, which has remained independent and critical of the government.

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[1] Ibid
[2] Tavares Report, article BV; see also objections raised in 2010 by Dunja Mijatović, the OSCE Representative on Freedom of the Media, about the effects on media freedom: http://www.osce.org/fom/74687
[3] Hungary: Parliamentary Elections OSCE/IDIHR Limited Election Observation Mission Final Report', 6 April 2014, *OSCE*, http://www.osce.org/odihr/elections/hungary/121098?download=true, p. 14
[4] Jovánovics,Eszter. State of the World's Minorities 2014, p.173-4

APPENDIX 2:

EÖTVÖS KÁROLY
POLICY INSTITUTE

Timeline of Governmental Attacks Against Hungarian NGO Sphere

28 February 2015

Since the elections in 2010, the current governing party has systematically undermined the rule of law in Hungary, seriously disrupting the system of checks and balances. The adoption of the new constitution without the consent of the opposition and the widely criticized media regulation were followed by legislative steps weakening independent institutions (e.g. the Constitutional Court, the judiciary and the Ombudsman system) and violating human rights (e.g. the right to fair trial) in mass numbers. These legislative steps were accompanied by the early removal of leaders of independent institutions and the "court-packing" of the Constitutional Court. As shown by the international criticism e.g. on behalf of the European Union and the Council of Europe, several rules adopted by the governing majority are not in compliance with democratic values and international standards. The series of governmental attacks against Hungarian NGOs, which organizations operate by their nature as checks and critics of the state power and fight for reinforcing the rule of law and ensuring the protection of human rights, is another step in the process aimed at establishing an "illiberal state".

14-15 August 2013	**NGOs "serving foreign interests" are listed by government-friendly newspapers**; it is alleged that the "crew" of György Soros has an "outstanding role" in distributing the money in the framework of the EEA/Norway Grants NGO Fund. Allegations are declined both by the Ökotárs Foundation (which leads the Hungarian consortium of fund operators) and the Norwegian government.
17 August 2013	The **spokesperson of the governing party Fidesz echoes the newspapers'** above **allegations**. Later on, in a civil procedure launched against the spokesperson and the Fidesz by an NGO, they do not even try to substantiate the spokesperson's statements.
8 April 2014	The head of the **Prime Minister's Office claims** in a letter to the Norwegian government that the Ökotárs is in his view closely linked to an opposition party. Allegations of **political influence** are again rejected by the Ökotárs and Norway.

11 April 2014	It turns out that Századvég Foundation, an **important background institution of the government**, also participated in the tender **for the position of fund operator** with regard to the NGO Fund, but was not considered impartial and **was not selected.**
30 April 2014	Senior representative of the Prime Minister's Office calls the operators of the Hungarian NGO Fund "party-dependent, cheating nobodies".
6 May 2014	The head of the **Prime Minister's Office requests** from Norway in vain **that the NGO Fund in Hungary is "suspended"**, and indicates that the government wishes to enter into negotiations as to the new fund operator.
21 May 2014	The government requests the **Government Control Office** (GCO), a state agency vested with the right to audit state money, to launch an **audit** into how the NGO Fund is managed. The secretariat of the donor countries (the Financial Mechanism Office, FMO) states that the audit is **in breach of the respective agreements**.
28 May – 1 June 2014	It comes to light that a **governmental list** has been prepared **about potentially "problematic" NGO projects** under the EEA/Norway Grants, corresponding with the list of NGOs cited by newspapers in August 2013. A governmental list of "left wing" and "incompatible" evaluators also emerges.
2 June 2014	The GCO carries out an on-site audit at three members of the consortium of fund operators and **demands that certain documents are handed over**. **T**he Norwegian authorities express their strong concern about Hungary's actions.
12 June 2014	After a high-level state meeting, Norway expresses that **halting the GCO's audit is one of the preconditions for lifting the earlier suspension of the EEA and Norway Grants**. (Payments to Hungary under the EEA and Norway Grants scheme were suspended in May 2014 because **Hungary has breached the respective agreements.**)
16 June 2014	**Even though the FMO asked the GCO earlier to address further requests to the FMO** instead of the fund operators, **the GCO requests another set of documents** from the Ökotárs, which **does not comply** with the request after the FMO asks it not to.
25-27 June 2014	A government-friendly newspaper falsely states that an audit report prepared by Ernst & Young supports the state's accusations. The **government refers for the first time to** the possibility that the Ökotárs may have committed a **criminal offence**.

June 2014	The **GCO requests**, with a very short deadline, project documentation and organizational **materials from 58 NGOs supported by the NGO Fund.** Some of the NGOs **question the legal basis of the audit**, but comply with the request (taking also into account that the GCO may suspend their tax numbers in case of non-cooperation). Four NGOs decide to make project documentation available on their websites instead of submitting it to the GCO.
21 July 2014	The GCO sends **another request for documents to Ökotárs**, now threatening to impose fines and/or to suspend the organization's tax number in case of non-cooperation. The new documents **concern also the NGOs supported**. The Ökotárs questions why these documents are necessary to achieve the stated goal of the investigation.
23 July 2014	Upon the complaints of NGOs **the Ombudsperson of Hungary concludes that the interpretation of Norway shall be also taken into account** with regard to the audit of the funds. However, the Ombudsperson did not take any further action.
26 July 2014	In the speech declaring that he and his government build an "illiberal state", the **Prime Minister** says that their efforts in that regard are obstructed by civil society organizations, and **refers to NGOs as "paid political activists who are trying to help foreign interests**".
August 2014	A criminal procedure is launched against the Ökotárs on the suspicion of fraud by an individual; the underlying criminal offence is altered to **fraudulent misuse of funds** later on.
3 September 2014	It is announced that the **GCO initiated a criminal procedure on the suspicion of "unauthorized financial activities"**, supposedly against the Ökotárs, which states that it has indeed given loans to NGOs from its own capital to help with the financing of their EU-projects, but did not derive any benefit from it, this activity was included in its public reports, and is not related to the EEA/Norway Grants NGO Fund.
4 September 2014	The Hungarian DPA obliges the Ökotárs to disclose the list of non-supported applicants and the justification for not supporting them to a government-friendly television channel.

8 September 2014	**Offices of fund operators** Ökotárs and DemNet **are raided by the police**, who show up in disproportionately high numbers; homes of certain staff members are searched. **The police** especially **seize documents concerning the 13 "blacklisted" NGOs**, giving rise to suspicions that the criminal procedure was used to access documents the GCO could not. The Norwegian Minister of EEA and EU Affairs states that the police raid was "completely unacceptable".
11 September 2014	The **scope of the GCO's audit is extended** to funds received by the Ökotárs in the framework of the Swiss-Hungarian Cooperation Programme and from other state budget sources.
15 September 2014	In his speech delivered at the opening of the autumn session of the Parliament **Prime Minister** Viktor Orbán suggests that **NGOs apply double standards**.
18-24 September 2014	**The tax number of fund operators is suspended.** Later, fund operators request a judicial review of the decision suspending their tax numbers.
23-24 September 2014	**U.S. President's statement** on Hungary intimidating NGOs **is labelled as being without any factual basis** by the Ministry of Foreign Affairs and Trade.
1 October 2014	A **representative of the Prime Minister's Office** says that the reason behind the U.S. President's above statement is that **American political circles fear for their "network" in Hungary.**
22 October 2014	The **GCO publishes its audit report,** containing generalized and highly questionable critical conclusions. Later on, Norway states that the NGO Fund donors will not accept the GCO's audit report and engage in discussions based on it, and will base their evaluation of the NGO Fund on an independent audit instead.
12 November 2014	The **GCO initiates criminal procedure** on the basis of the report **and requests an extraordinary tax audit** on the basis of its findings.
15 December 2014	The **Prime Minister** states in an interview that he **would back legislation to force NGOs funded from abroad to be specially registered**, because it's important to know "who's in the background" of such groups.
16 December 2014	The **Prime Minister's Office** decides to carry out an **own investigation regarding the use of the Swiss NGO Fund**, and that until that investigation is over, no payments can be realized from the Swiss NGO Fund.

19 January 2015	The Ökotárs informs the press that **state investigations are extended to NGOs only receiving grants from the NGO Fund**: two such NGOs are investigated by the national tax authority, while the prosecutor's office investigates the lawfulness of the operations of another two such NGOs (these are not criminal investigations).
23 January 2015	A **court decision concludes with regard to the police raid of consortium members** in September 2014 **that the ordering of the searches and seizures** conducted in the offices of consortium members and homes of Ökotárs representatives **has been unlawful**.
11 February 2015	An **independent evaluation**, conducted by a consulting company commissioned by the FMO concludes e.g. that the "selection of the current Fund Operator in Hungary has been an excellent one" and that it is "of critical importance that the NGO Programme in Hungary continues its implementation independently from the Government and operated by the current consortium".
20 February 2015	The head of the **Prime Minister's Office** states that **NGOs should** not only **account for** where their money comes from, but also for **their leaders' personal assets.**
23 February 2015	The **court** sets a date for the hearing in the case of the suspension of three consortium members' tax numbers, and **suspends the application of the tax authority's respective decision** until the end of the court procedure, allowing the NGOs to continue their operation.

For FAQ in English regarding the EEA/Norway Grants and the NGO Fund in Hungary, see the information issued by the Royal Norwegian Embassy:
https://norwayportal.mfa.no/Norvegia---hivatalos-honlapja-Magyarorszagon/Norsk/EEA-and-Norway-Grants1/EEA-and-Norway-Grants/Frequently-Asked-Question-about-the-EEA-and-Norway-Grants-/#.VBnOpVekPgF

The "Blacklisted" Hungarian NGOs

- Transparency International Hungary
- K-Monitor
- Asimov Foundation
- Hungarian Civil Liberties Union
- Roma Press Center
- Krétakör's Foundation
- NaNe Women's Rights Association
- Foundation for Democratic Youth
- Hungarian Women's Lobby
- Labris Lesbian Association
- PATENT – Association against Patriarchism
- LiFE – Association of Young Liberals
- Szivárvány Misszió Alapítvány

APPENDIX 3:

Jobbik's policy proposals realized by Fidesz: A summary in 10 points

In the last five years, we undoubtedly saw that Fidesz implemented several measures that were originally part of Jobbik's program. There are several fields where the rhetoric of Fidesz and Jobbik, as well as the policies they propose, have converged. These parallels are so extensive that it would be foolish to regard them as accidental. Fidesz essentially failed to attack its rival to the right of the political spectrum on ideological grounds, and instead practically since 2010 tried to win over Jobbik voters by incorporating Jobbik's policies into governmental action. The government retained this strategy even after Jobbik's electoral victory during the by-election in Veszprém in April 2014,[1] in spite of this strategy clearly failing, and only leading to popularity loss of Fidesz and the rise of Jobbik. Jobbik became the second most popular political party with only a few percentage points behind Fidesz.

Trying to hamper Jobbik's popularity rise, however, is not the only reason why Fidesz implemented some policies and adopt the rhetoric of Jobbik. Orbán did a great deal to radicalize a part of his electorate with harsh anti-communist, anti-liberal and anti-Western rhetoric even before Jobbik became a significant political force. Furthermore, Fidesz also used Jobbik as a pioneer to explore new solutions and push the terms of the political debate to increase their own room for maneuver; for example, in foreign policy Jobbik was the first proponent of 'Eastern Opening.' Orbán's ideology and politics are intertwined, and not only reactive steps to counter Jobbik's rise, serving his long-term strategic goal of establishing a consolidated system. Orban's Fidesz party does not need a radical nationalist ideology to challenge Jobbik, but rather to justify the illiberal system he is creating.

In the table below, our goal was not providing an exhaustive list, but rather we tried to focus on the most important fields when highlighting the political parallels between the two parties.

At the same time, obvious and division lines between the politics of Fidesz and Jobbik remained. Open anti-Semitism and anti-Gyipsyism, still a central element of Jobbik ideology, does not characterize Fidesz systemically. The Orbán-government also made restrictions in the Criminal Code in order to stop the activities of the paramilitary guards close to Jobbik. While focusing on the similarities in the table below, we argue that these important differences should not be ignored.

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[1] Jobbik won its first individual constituency; reasons and consequences and described in the following analysis: http://www.politicalcapital.hu/wp-content/uploads/pc_flash_report_20150413_Jobbik_won_its_first_individual_constituency.pdf

Jobbik proposal	Fidesz implementation
Symbolic Politics	
1. Diminishing Hungary's role in WWII: "The German occupation in 1944 diverted Hungary from her path of legal (state) continuity (…)" (Bethlen Gábor Program, 2007)	"We date the restoration of our country's self-determination, lost on the nineteenth day of March 1944, from the second day of May 1990, when the first freely elected organ of popular representation was formed." (New Constitution, 2011)
Xenophobia	
2. Migration: Jobbik supports locked refugee camps, re-establishment of Hungarian border guards, turning back the so-called "economic refugees" from the border. The party also warns of security concerns related to migration criminality and terrorism. (10 points of Jobbik)	The Hungarian government has launched a "national consultation", a non-representative push poll by posting eight million questionnaires to citizens on whether they agreed that immigrants endanger their livelihoods and spread terrorism. Questions are obviously manipulative, as these examples indicate: "*We hear different views on the issue of immigration. There are some who think that economic migrants jeopardise the jobs and livelihoods of Hungarians. Do you agree?*" or *"There are some who believe that Brussels' policy on immigration and terrorism has failed, and that we therefore need a new approach to these questions. Do you agree?"?* (National consultation announced in April, 2015)
Economic policy	
3. Discrimination against multinational corporations: "We will tax the multinational corporations." (Jobbik's 2010 election program)	Fidesz introduced altogether 13 sectoral taxes since 2010 especially aimed at multinational corporations in several fields including the banking, energy, telecommunications, retail chain, and other sectors.
4. Nationalizations in the financial sector and the public utility sector "(…) by establishing a Hungarian banking sector serving national interests, we allocate development resources to the Hungarian small- and medium-sized enterprises." "We keep or regain state-ownership in strategic sectors of public utilities and natural monopolies."	Hungarian PM Viktor Orbán announced in 2014 that through the state-led acquisition of MKB Bank, previously owned by German shareholders, the Hungarian national ownership rate in the financial sector has surpassed the 50% goal set earlier by the government. The government practically nationalized the assets of some Savings co-operatives. The state is setting up a national public utility holding in 2015 by repurchasing foreign-owned public utility assets that were sold in

(Jobbik's 2010 election program)	the Gyurcsány-Bajnai era, or even earlier during the period of the Horn cabinet.
5. One-sided gas and nuclear energy dependence on Russia[1]**:** "We support (…) the Paks nuclear facility's extension with a new block." (Jobbik's 2010 election program) Jobbik also supported the Southern Stream project from the very beginning. In the parliament, Jobbik was the only opposition party that supported both projects.	Fidesz approved a controversial EUR 10 billion loan agreement with Russia to fund the new Paks II nuclear power blocks built by Russian Rosatom in June, 2014. The government strongly supported the South Stream gas pipeline, even adopted a new bill exempting the investment from common energy policy under EU regulations, until it was cancelled by President Putin.
Social policy	
6. Private pension system: "(…) mandatory membership in private pension system will be terminated." (Jobbik's 2010 election program)	Fidesz government abolished the mandatory private pension system almost entirely in 2010 and nationalized its funds, therefore practically terminated the private pension system.
7. Public works program: "We are developing a public works program administered nationally but implemented locally." (Jobbik's 2010 election program)	Fidesz implemented a highly centralized public work system, at times employing as many as 200 thousand workers, of nation-wide public works program which lead to a new form of state dependence for participants, while it is not facilitating re-integration to the labor market of the formerly unemployed or underemployed.
8. Eliminating separation of church and state, while upholding segregation in the education system: "We will make religious education or ethics mandatory (…)." "Strengthening the education of Roma youth through integration or segregation, if needed." (Jobbik's 2010 election program)	Fidesz made religious or ethics education mandatory in public schools. Zoltán Balog, Minister of Human Capacities stated that social development can also be achieved in segregated environments with affection, competent teachers and good methods. (Testimony of the Minister at a segregation case court hearing)
9. Death penalty:	"The death penalty question should be put on the agenda in Hungary," PM Viktor Orbán

[1] Socialists on government were also supportive towards both projects.

"We will reintroduce the possibility of death penalty in the most severe forms of crimes against human life, even if it means reconsidering the relevant international treaties." (Jobbik's 2010 election program)	said, adding that it was necessary "to make clear to criminals that Hungary will stop at nothing when it comes to protecting its citizens." (Press conference, April 2015)
Foreign policy	
10. Eastern Opening and stronger ties with illiberal and authoritarian regimes "The foreign economic relations of our nation should be radically redirected eastward instead of the one-sided Euro-Atlantic integration" (i.e. towards China, India, Russia, Turkey, Kazakhstan, Indonesia). (Jobbik's 2010 election program)	PM Viktor Orbán announced a value-free and interest-based foreign policy. The PM has also said he wants to build an "illiberal state" based on national foundations, citing Russia and China as examples. Accordingly, after 2010 the process of building stronger diplomatic ties was underway with a series of high-level visits to non-democratic countries such as China, Azerbaijan, Russia and Turkey. The special attention devoted to eastern orientation is indicated by the fact that China and Russia received their own department in the Ministry of Foreign Affairs and Trade, while the US and West European states are managed from a single department.

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- 10 points of Jobbik: we should defend our borders. http://www.jobbik.hu/hireink/meg-kell-vedenunk-hatarainkat

Mr. ROHRBACHER. And for our lasts witness, Mr. Simonyi.

STATEMENT OF ANDRAS SIMONYI, PH.D., MANAGING DIRECTOR OF THE CENTER FOR TRANSATLANTIC RELATIONS, SCHOOL OF ADVANCED INTERNATIONAL STUDIES, JOHNS HOPKINS UNIVERSITY (FORMER HUNGARIAN AMBASSADOR TO THE UNITED STATES)

Ambassador SIMONYI. Thank you very much. I don't know which category I am supposed to fall into, but you will tell me after I have spoken.

Mr. ROHRBACHER. As long as you are absolutely truthful, it is okay.

Ambassador SIMONYI. Okay. Good. Well, Mr. Chairman, members of the committee, Iwould like to say I am a Hungarian patriot who—I have spent half my lifetime working on building and strengthening the ties between our two countries, and I am determined to do that. So when I come here in front of you, and I will be critical, it is because I see this as an important part of what this relationship is supposed to be about.

I see today's hearing as a desire by the United States Congress to send a strong message that it cares about Hungary, its people, and the state of its democracy. My friend and mentor, former chairman Congressman Tom Lantos would have approved. However, he would have—he would not be happy about the worries which have been prompted by this meeting, or the worries which prompted this meeting. But I would also like to tell you that I was so proud to serve my country under President George W. Bush, and I worked very closely with the President and with members of his—members of his administration, and I would also like to say that I am a certified honorary Texan.

In 2014, for the first time since the fall of the Iron Curtain, Hungary was labeled as a defective democracy by the respectable Berkland Foundation. In the country report we just heard the dismantling of democratic institutions. This is worrying. In my written testimony, which I ask you to attach to the report, I deal in detail with the 52.7 percent win of votes achieved by Prime Minister Orban's party in 2010, which resulted in a two-thirds super majority in Parliament, a feat repeated in 2014 when only 44.5 percent was enough to achieve the same results.

In my books, in democracy a super majority should not be interpreted as a license to do whatever you want even if it is legal to do so. As a result, there is no other democratic country in the Europe Union where power is a not concentrated as much as it is in Hungary today.

In the wake of the 2012 new Constitution, and approved by Fidesz, the ruling party, which has since been repeatedly amended in its image by the same super majority, control over governmental power, checks and balances have been weakened.

Unfortunately, a number of legal initiatives struck down by the constitutional courts as unconstitutional were immediately and hastily incorporated into the Constitution.

The government has, thus, restricted the competence of the constitutional court to examine the constitutionality of financial, budgetary, and tax laws. In the Prime Minister's own words, the con-

cept of checks and balances "is a U.S. invention that for some reasons or intellectual mediocrity Europe has decided to adopt and use in European politics."

I beg to disagree. In my view, this is a universal principle of democracy. The Prime Minister believes in a strong all-powerful state that has the right to interfere in the function of the markets, determine the curricula in every single public school in the country, and create a hierarchy among religious groups. This restricts competition and freedom of choice.

Mr. Chairman, the overwhelming majority of Hungarians are not extremists. I am, therefore, worried about the way the prime minister has adopted some extremist rhetoric in recent months. His comments that are outright anti-immigrant, centerphobic, overtly homophobic, are dangerous in a country that has still not fully recovered from the terrible human and intellectual losses it has suffered exactly because of exclusion and hate under authoritarian regimes of the past.

Mr. Chairman, the Prime Minister has dramatically modified his previously unqualified pro-Western stance in the last years. He has most recently suggested that autocratic regimes are more efficient than democracies, which in his view tend to get lost in debates.

Hungary is unfortunately too dependent on Russian energy supplies, some 80 to 90 percent, which has its dangers. This government has done little to abate the situation. It is in the interest of Hungary the Russian pressure is resisted and that agreements are fully transparent, avoiding the slightest hint of graft or political interference by Mr. Putin short and long term.

And here I would like to tell you that in my day job I spend about 85 percent of my time trying to get the United States to get LNG gas to Europe. Specifically, most importantly, to Central and Eastern Europe.

The relationship between Hungary and the United States is that of allies, based on mutual respect and friendship which carries obligations and responsibilities. The government's recent decision to support the war against ISIS on the ground must be lauded. It was abysmal petty politicking by some members of the opposition not to support the government's decision. Meeting our security obligations, however, cannot only be a tool to disarm U.S. criticism. Our Transatlantic alliance is about a lot more. U.S. diplomacy is right to continue to call on the government to meet its obligations of shared values and democracy.

Finally, Mr. Chairman, why waste precious time of talented Ambassadors. And here I must say that Hungary has chosen one of the most talented Ambassadors to serve in it Washington. Why waste the precious time of talented Ambassadors and diplomats in Washington on trying to explain away decisions of the government, statements by its Prime Minister, a confusing foreign policy instead of focusing on new forward-looking opportunities for investments and trade innovation, business, and science across the board. Why waste taxpayers' money on K Street lobbyists? I know from experience that there is an easier, more efficient, and cheaper way. Revert back to the fundamental values of democracy of consensus, of inclusion at home, and clarity in foreign policy abroad.

Mr. Chairman, finally I really want to take this opportunity to thank you and the members of the subcommittee for your interest, but also all the American friends of Hungary for their unwavering support for the democratic future of my country. Thank you.

Mr. ROHRBACHER. And thank all of you, the witnesses, for laying a good foundation for a discussion.

[The prepared statement of Mr. Simonyi follows:]

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Hungary Needs to Re-embrace Western Democratic Values

Testimony by Ambassador András Simonyi
Managing Director of the Center for Transatlantic Relations
School of Advanced International Studies
Johns Hopkins University
(Former Hungarian Ambassador to the United States)

Hearing on
"The Future of U.S.-Hungary Relations"
Subcommittee on Europe, Eurasia and Emerging Threats
Committee on Foreign Affairs
U.S. House of Representatives

May 19th, 2015

Chairman Rohrabacher, Ranking Member Meeks, Distinguished Members of the Subcommittee, it is a great honor to be asked to testify before the House Committee on Foreign Affairs Subcommittee on Europe, Eurasia and Emerging Threats on developments in Hungary and U.S.–Hungarian relations. If my friend and mentor, the great Hungarian-American, Congressman Tom Lantos, former Chairman of this Committee, was still with us, he might not be too happy about the reasons for this hearing. Tom taught me more about the dignity of standing up for our views out of love of country, about the importance of building bridges, about why strong ties to the United States is vital to Hungary's future than any other person.

Mr. Chairman,

The last few years, I am confronted all too often with the simple question: "What is going on in your country?"

The question is as troublesome as the answer is self-evident: Why would you want to hold a hearing on a European ally, unless there are serious concerns? I wonder—when was the last time you had a hearing about Denmark, Norway, or the Netherlands?

Before I proceed, allow me to clarify my own position and outlook. I am a proud Hungarian patriot who feels passionately about the present and future of my country. Hungary must be a vital part of the community of democracies, a rock solid and unwavering member of NATO and the European Union, and a strong and steadfast ally to the United States. This is certainly what the majority of Hungarians want as well. It is my duty as a concerned Hungarian to help find ways to assist Hungary to return to the path it embarked upon twenty five years ago. For this to happen, our strong relationship with the United States is key. Specifically, it is critical to the health of Hungarian democracy for the United States to make clear its concerns. Sometimes heartfelt criticism, based on the wish to see a friend and ally succeed, must also be a part of that relationship.

I see this hearing as a clear opportunity for the Congress of the United States to send a message to the Hungarian people that Hungary matters. They should know that U.S. lawmakers are watching, and that they are puzzled and, at times, worried about some trends in Hungary and certain decisions taken by the

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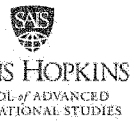

government. Please note that I have no party political affiliation. I have criticized previous Hungarian governments for decisions they have taken as well. In fact, I left public service during a previous government, prompted by my deep disagreement with the line that government was taking on foreign policy, which in my view was harmful to both the country and to the transatlantic relationship. It has always been and will remain my intention to help Hungary get back on track, to be a strong and vibrant democracy with no doubts about where it belongs.

But I am also here before this Committee as a professional student of transatlantic relations. What I see, and what we are all witnessing these days, is that Vladimir Putin's Russia is playing a key role both openly and behind the scenes in the weakening of democracies and the activation of anti-American sentiments in many parts of Europe. I see present-day Russia not as a constructive partner, but as a disruptive power which has embarked on a road to drive a wedge between the U.S and its allies. Supporting so-called "illiberal," quasi-authoritarian governments and supporting both extreme right and extreme left movements in Europe is part of Russia's strategy in the 21st century. I am sorry to observe that Hungary's weakened democracy makes it very vulnerable to Russian meddling.

The State of Democracy in Hungary

Mr. Chairman,

Twenty five years ago Hungary was a pioneer, a beacon of hope for democratic change in Central and Eastern Europe. It was at the vanguard of change, a country that embraced political diversity, the rule of law, the construction of strong institutions of democracy after forty years of communist rule. It isn't any longer. A few years ago it veered off the course dreamed of by the first democratically elected prime minister, a great friend of America, József Antall.

In 2003 the respectable Bertelsmann Foundation placed Hungary at the very top of the list of 120 'developing' countries in terms of quality of democracy. The country received 10 out of 10 for its 'democracy status' and its overall status-index was 9.71. By 2014 Hungary's 'democracy status' score dropped to 7.95 and its overall status index decreased to 8.05. For the first time, the country was labeled a 'defective democracy' and the 2014 country report registered the "dismantling of democratic institutions" in Hungary.

In 2010, the ruling FIDESz party won the elections by a landslide 52.73%. Due to the construction of the electoral system, this resulted in a two-thirds super majority. Four years later, thanks to the newly introduced election law which was regarded by the opposition and by the international monitoring agencies as deeply biased in favor of FIDESz (The Organization for Security and Cooperation in Europe pronounced the 2014 election free but unfair), 44.5% of the vote was enough to achieve the two thirds, i.e. constitutional, majority in Parliament. I had my concerns already back in 2010 about the dangers of moving so close to absolute power. For a short while I nurtured some hope that this exceptional opportunity would be used to cement democracy, not the power of one party; to strengthen and not weaken institutions of democracy, and to build a strong consensus rather than sow hatred and division. I was hoping that Prime Minister Viktor Orbán would heed the words of a genuine conservative, the great Winston Churchill, who said: "In War: Resolution. In Defeat: Defiance. In Victory: Magnanimity. In Peace: Goodwill." I was also hoping that Hungary would opt to be an example for democratization further east. I was soon disappointed.

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No time was wasted in adopting a new constitution, the "Basic Law". A constitution, as it is commonly referred to, is the supreme law of a state. It must be the expression of the will of the people as a whole. Unfortunately, the two-thirds majority in the legislature was interpreted as a license to unilaterally change the fundamental rules governing the country. The people of Hungary were not part of the drafting of this new constitution. There was no real debate. "Consultation," as the government called it, was short and minimal. A referendum was ruled out as "unnecessary".

After serious criticism from abroad, including from the United States, some cosmetic amends have been made, but have not substantially altered the basic problems of the constitution: that it is not one based on the standards of 21st century democracy. In the wake of the new constitution, which has since been repeatedly amended in its face by the same supermajority, control over governmental power, checks and balances have been weakened. A number of legal initiatives struck down by the Constitutional Court as unconstitutional were immediately incorporated into the Constitution, and the government restricted the competence of the Constitutional Court to examine the constitutionality of financial, budgetary and tax laws. The government believes in a strong, all-powerful state that has the right to interfere in the functioning of the markets, determine the curricula in every single public school in the country, and create a hierarchy among religious groups. In spite of the repeated requests by the U.S. government for the respect of religious freedom the parliamentary majority stripped a number of religious groups of their status as churches. The European Court of Human Rights ruled that these decisions breached the freedom of religion and the freedom of association.

There is no other democratic country in the European Union where power is concentrated as much as in Hungary today. In the Prime Minister's own words: the concept of "checks and balances is a U.S. invention that for some reason of intellectual mediocrity Europe decided to adopt and use in European politics." I believe he is wrong. In my view this is a universal principle of democracy.

Let me say a few words about the poor state of the media. According to the respectable organization "Reporters Without Borders" Hungary has fallen in its ranking by 42 places since 2010, when it was considered one of the 10 freest countries for journalists in the world, occupying 65th place out of 180 in 2015. In their report, Reports Without Borders states that independent media is under continued pressure.

For years, the Prime Minister denied the non-democratic characteristics of the new political order, but in his controversial July 24, 2014 speech delivered at Tusnádfürdő, Transylvania, he proudly disclosed his preference for an "illiberal state" to replace the supposedly failed Western model, leaving no doubt about the direction in which he thinks Hungary is supposed to move.

The Looming Dangers of Extremism

Mr. Chairman,

A strong and self-confident, independent civil society whose rights are protected and considered precious, are essential to the health of any democracy. The harassment of Hungarian civil society in the past few years is a shame. Life for civic organizations benefiting from foreign funds, among others the Norway grants, has been made difficult. Portraying them as foreign agents rings a bell; thirty years ago, before the fall of the Iron Curtain, the same argument was used against the nascent FIDESz. Have members of FIDESz the formerly anticommunist opposition leaders, forgotten in just twenty five years how before 1990 they too used to be harassed and followed by the authorities? Have they forgotten how the United

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States provided them protection? How the then U.S. Ambassador Mark Palmer clashed with official Hungary of the day in their defense?

Historically Hungary has benefited from diversity, for opening its borders to others. Hungary is made up of Hungarians, Slavs, Germans, Gypsies, Romanians, Jews, Turks, just to name a few nations, and people that have influenced us and made us the resilient nation we are. Hungary should forge "unity out of diversity," which will make it stronger and more resilient. It needs inclusion, not exclusion. Recent statements by the Prime Minister that Hungary must close its borders to foreigners, his portrayal of foreigners as a threat, is unbecoming of a European country that is made up of peoples of such diverse backgrounds. It is also dangerous. The Hungarian government cannot in one breath fire up xenophobia and expect countries like Germany, the UK and others to accept—as they do!—about five-hundred thousand Hungarians who have moved to these countries driven by a hope for a better life. It cannot expect to credibly defend the rights of the often discriminated Hungarian minorities abroad, while it is intolerant and unaccepting at home.

About the looming dangers of extremism, which thrives on populism, feeds on the fears of society from the future, I want to state that Hungarians as a rule reject extremism. Unfortunately extremism, laced with xenophobia, anti-Roma and anti-Semitic hatred is present in the country. The rise in support for the extreme right Jobbik party is to a great extent due to the failure of mainstream politicians in addressing people's concerns. Although extremists still constitute a minority, I am worried about the way the Prime Minister has adopted some of the extreme right's rhetoric in recent months. Comments like these worryingly narrow the difference between FIDESz and Jobbik, considerably weakening the argument often used, that his party is the defense of last resort against extremism. One wonders if these efforts aren't the result of Mr. Orbán's and FIDESz' sliding popularity.

Hungary must revert to a system that embraces checks and balances and the clear and unquestionable separation between branches of power. It needs to champion tolerance and acceptance. Hungary must be a country that helps build consensus within NATO and the European Union and profess our shared democratic values. Taxpayer-sponsored state media should not be the mouthpiece of one party. It needs to support a level playing field for all parties who accept democratic rules. Hungary needs to be a country where laws cannot be changed almost overnight, where Parliament is a place of real debate and consensus building, and not just a place of rubber-stamping. Finally and perhaps most importantly, Hungary cannot become a country of favoritism and graft, of nepotism and uncontrolled power of the few. Laws and accountability must be for all.

Hungarian Foreign Policy and Energy Dependence

Mr. Chairman,

Allow me to discuss some aspects of present day Hungarian foreign policy.

Twenty or so years ago, I raised eyebrows in the foreign ministry for siding with Mr. Orbán. I did this with a strong conviction about his transatlantic and democratic credentials and his respect for what we in Europe call liberal ideals, and what Americans would call Western values. I served under him as Ambassador to NATO, and remember his steadfast leadership and strong transatlantic credentials during the Kosovo war. This is perhaps important in order to underline the fact: I have no personal reasons for criticism of him.

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JOHNS HOPKINS
SCHOOL of ADVANCED
INTERNATIONAL STUDIES

Hungary basically fulfills its obligations as a NATO member; our soldiers continue to make important contributions to NATO led operations. I was glad to see the government's recent decision to support the U.S. in the fight against ISIS. I was not just disappointed, but outright angered by the pettiness of some opposition parties, including the Socialist Party, not to support the government in this important mission. When Hungarian soldiers put themselves in harm's way, they need to know, that the nation is behind them. Alliance solidarity should not be prey to petty politicking.

The Prime Minister has dramatically modified his previously unqualified pro-Western stance in last years. He has most recently suggested, that autocratic regimes are more efficient than democracies, which in his view tend to get lost in debates. In the name of defending Hungarian sovereignty, he did not shy away from frequent confrontations with the European Union while pursuing a new economic and more importantly political opening to Russia. He held up Russia, Turkey and Singapore as models for the country, not exactly examples of forward looking and inclusive democracies. I was hoping that the Prime Minister would be at the forefront of pushing back on Russian aggression in Ukraine, that he would be the most vocal critic of what Russia is doing abroad and also of what it has become at home: an autocratic regime. I am deeply disappointed on both counts.

Less than a year after Russia's aggression against Ukraine, Hungary became the first member of NATO and the European Union to receive the Russian leader, giving him red carpet treatment. In a cordial atmosphere, Putin and his Hungarian counterpart signed five bilateral agreements, but it was the fact of the visit itself and its timing that is disturbing to me.

I would like to quote a statement made by a government minister recently, "Hungary is simply too dependent on energy supplies from the east (meaning Russia), as 80–90 % of its supplies come from the east, which clearly puts the Hungarian economic policy on an orbit. The relationship with Russia is also a choice of values. The relationship can have some advantages, a lot of things can arrive from the east, but for sure democracy and freedom are not among them. It is the responsibility of the leaders of today, in which direction the relationship [between Russia and Hungary] moves". This is a call for less dependence on one source. These words should come from the Prime Minister.

I wonder how recent decisions related to energy supplies are in line with this thinking. Nuclear is an important part of the energy mix. Why would the government sign a hurried and non-transparent agreement with Russia to refurbish the nuclear plant of Paks and sign another one to build a new reactor called Paks II, both without an international tender and without broad public debate? What exactly would prompt a government to classify for thirty years a commercial deal spanning in impact over generations? However knowing that Russia uses energy as a means to promote its political influence, why would the government make the country so vulnerable by entering into yet another agreement that inextricably ties its nuclear energy future to Russia? It is in the interest of the government to dispel beyond any doubt even the remotest possibility of corruption or Russian pressure. The government must exclude any possibility of corruption by making the deal transparent all the way through.

I wish Hungary was a country of transparency, a nation that is a poster-child of the fight against corruption, the cancer that is slowly sucking away our power, which destroys the immune system of the nation and in the end, tears apart the fabric of society.

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It is important to understand that you cannot have it both ways: to be a close and trusted ally, and at the same time question the values which are fundamental to America and the European Union.

Why the United States Should Care

Mr. Chairman,

The reason why the United States should care is that in Central Europe today the internal threats to democracy and freedom are disturbing. Democratic backsliding and corruption, which seem to be two sides of the same equation, are a huge challenge and in some cases a threat to the achievements of the last twenty five years. The security provided by NATO and the incredible economic boost provided by EU membership, the values upon which these institutions are based seem to have been forgotten.

America and Americans have invested heavily in the freedom of Europe. Western Europe has the U.S. to thank for its freedom and that it was not subjected to another authoritarian regime after the defeat of Nazi Germany. But without the leadership of Presidents Ronald Reagan and George H.W. Bush, Eastern Europe, including Hungary would still be behind an Iron Curtain, or without President Bill Clinton, NATO enlargement would not have happened. The U.S. has a huge stake in the safeguarding of freedom and democracy in Eastern Europe, in maintaining the cohesion of the transatlantic alliance. It has a vested interest in rejecting Russia's concept of spheres of influence, a concept without borders or constraints.

I can understand that Hungary's example presents a troubling dilemma: how to deal with democratic backsliding in democracies with apparently strong institutions and the rule of law. In the greater scheme of things, however Hungary is not just about Hungary, but is about the future of much of Central Europe and beyond. Membership in NATO and the European Union must mean the commitment to our common fundamental values, otherwise this could harm not just Hungary's long term interests but be detrimental to the prestige of the United States and Europe.

Mr. Chairman,

Hungary made a choice to be a democratic country 25 years ago. The United States should make it very clear that it continues to care that the principles of not just free but fair elections matter, that the fight against corruption and respect for human rights and equality cannot be done away with without consequences. I see a new generation of Hungarian politicians on the rise. Young people, the leaders of the future, with a strong set of convictions, who will one day be as determined to preserve Western values as Viktor Orbán once was. They know: a modern Hungary's future rests with the transatlantic community of shared values of freedom and democracy. They are watching today's debate with the utmost attention.

Thank you for your attention.

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Mr. ROHRBACHER. You know, first of all, just about a couple of points you made, and then I have got some questions for the other panelists as well.

So a government without checks and balances like the United States is itself more authoritarian. Is that right? Is that what you are saying? So the parliamentarian system in England, which has no checks and balances, is authoritarian.

Ambassador SIMONYI. Checks and balances is about the institutional guarantees that a one party, whether it is a majority or a minority, does not have an overwhelming concentrated power.

Mr. ROHRBACHER. So you are against the British system and all the other democracies——

Ambassador SIMONYI. I am not against the British system.

Mr. ROHRBACHER. Well, but let me say what you just described, to be very fair about it, when you have a parliamentary system, which the United States doesn't have, but many other countries do, if you have a consensus among the population that something has to be done, they end up electing a Parliament which concentrates power, and in these countries, basically, like Great Britain, they do not have the checks and balances that we have in making sure that you have three layers of government, et cetera, et cetera. And our Founding Fathers had a different thing in mind.

I will have to say that your testimony in that end is not impressive that they—that that makes him in some way an authoritarian because he redid the Constitution to make sure what? Quite often what happens when they follow the American example, you get governments that don't work because they are not Americans. And it doesn't work in what we have heard in our testimony today is that since Orbanhas come in, we have had a major success in their economy. The country, more than anything else, is strengthening and able to help us in Afghanistan and elsewhere and have a higher level of growth. Maybe that is because they decided to go with democracy in a different way than our checks and balances.

You may answer that.

Ambassador SIMONYI. Mr. Chairman, let me just add, I do not believe in illiberal democracy. And illiberal in this sense does not mean illiberal in the American sense. It means Western style. I believe in Western style democracy. I do not believe in Russian or Asari-style democracy, and I am very much disturbed that my country has started——

Mr. ROHRBACHER. We are not talking about Russian——

Ambassador SIMONYI [continuing]. Started in that direction.

Mr. ROHRBACHER. Okay. So how is the parliamentary system that has been set up by Orban different than Great Britain's Government?

Ambassador SIMONYI. Sir, I think what you have to understand is that this super majority has also resulted in limiting the possibilities for other parties to compete on a level playing field. I do not believe that the last election, which, as I said, 44 percent was enough to produce a two-thirds majority, that the parties were competing on a level playing field.

Mr. ROHRBACHER. Okay. I would just have to say that the idea that there is going to be no gerrymandering, we have had gerrymandering in our country for a long time, we are not an authori-

tarian country. Although we don't like it, we don't think it is a good thing, but I can tell you in California we have 15 Members of Congress now who are Republicans. When I came here, there were 25 and somebody redistricted it in a way—but I have never claimed that our government in California was not a democratic government.

Let me just go back to some of the super majority which you mentioned here, and I will actually at this point go to Judge Poe, and maybe ask few more questions at the end, but go right ahead.

Mr. POE. Thank the chairman. Thank you all for being here.

I just want to follow up on my previous comments that my concern is that the United States is trying to get another country, an ally, a friend, close friend, to have democracy in our image. That is really the concern that I have and that Hungarian bashing by our government seems to reflect that. I certainly don't agree with a lot of things that are taking place in Hungary or the United States or anyplace. I can find—as somebody said, I can find a problem in every solution, and I can. In every country I can give you a list of those.

But, Mr. Volker, I will first turn to you, and we will see how far we can go down the line.

Do you see, based on your knowledge of the Hungarians, this attitude of the United States about these issues toward Hungary, has that made the United States closer friends, buddies, workers, or have we pushed the Hungarian people and the government away based upon these actions that we have been taking?

Mr. VOLKER. I have had conversations with cabinet members in Hungary who has said that it has pushed away, that they feel more distant. I have had conversations with private citizens who support the government who feel upset at the United States. And I have had conversations with opposition figures and private citizens who oppose the government who are grateful for the United States for intervening.

So it is exactly as you would think in intervening and domestic politics. Depending on where you sit is where you stand.

Mr. POE. And that is my point exactly. Is the United States interfering in domestic politics?

Mr. VOLKER. I think that the fundamental issue here is exactly that. That we are getting drawn into differences over policy as opposed to differences of whether a democracy is functioning.

I think we have a reason as the United States, as a great democracy in the world, to speak up when we see things—democracies really under threat. But if is really policy differences and choices that a country is making in its own internal politics, I think we have to hang back.

Mr. POE. And with the bigger—I am just going to try to go down the row on all these questions.

Would the bigger issue be that we ought to be concerned about foreign relations, foreign problems, like the Russians, for example. They are the big elephant in the neighborhood.

I was in Hungary over the weekend as a member of the U.S. NATO Parliamentary Assembly, and they spent a lot of time talking about the Russians. They are worried about the Russians. Shouldn't we be more forthright as the United States? We are

going to help you with your concerns about the Russians, like sending them natural gas as soon as we can. I mean, are we missing something in our relationship——

Mr. VOLKER. No. I think that is exactly it, that Hungary, as we have established, is a democracy. It is an EU country. And, most importantly, it is an American ally. And we have real problems with Russia. We have problems in the Ukraine, we have problems with ISIS, and we should be gathering, working with, and leading our allies, and we should be tackling these challenges.

Mr. POE. Not to justify any of the criticism or to support any of the things that have been critical, I am not saying anything of those things are right or wrong, it just seemed to me that we ought to be dealing with a foreign country on foreign relations as opposed to telling them what to do in a domestic situation. We certainly wouldn't like it if they tried to tell us what to do.

Mr. VOLKER. Yeah. I think if—sir, I think if it crosses a real line where it is—you know, it is no longer a democracy, it is a dictatorship, then we would have a reason, but we are not there.

Mr. POE. All right. And just a question or two that—Hungary is operating under a new Constitution. Why did they get rid of the old Constitution?

Mr. VOLKER. Because the old Constitution was seen by the government as a compromise with the Communists in 1988 and 1989, and they felt that that compromise led to a document that could only be changed when you had a two-thirds majority, and it favored over a course of a long period of time socialists in the administrative structures, in the party financing, and the judiciary, and all these things.

So the current government believes that their only chance to amend that Constitution that emerged from the Communist period was to put through these sweeping amendments.

Mr. POE. And it was intended to be a temporary Constitution anyway. Wasn't it?

Mr. VOLKER. It was stated at the time it was meant to be a temporary Constitution.

Mr. POE. Communism light, as I call it.

Mr. VOLKER. Right. And you can argue the merits of what was put in its place, but it was a policy judgment by the government that got elected with two-thirds, for the first time, enabling themselves to make those changes.

Mr. POE. All right. Thank you very much. I will yield back.

Mr. ROHRABACHER. And Mr. Weber.

Mr. WEBER. Mr. Stahnke, you mentioned you were concerned about our allies' style of doing away with democratic governance, rule of law, and since 2010, you said there have been sweeping changes, and of course, you just heard that exchange about the change in the Constitution.

You said you were concerned about Hungary becoming in illiberal state like Russia and China, and then you mention Orban had bashed some paid political activists helping with foreign interests. You recall make those comments?

Mr. STAHNKE. Not exactly the way you describe them, sir, but I do make those comments, yes.

Mr. WEBER. Orban didn't make those comments. Would you say that that is akin to a Senate majority leader coming over on the floor of the Senate here in the United States of America and bashing the Koch Brothers, or lying about a Presidential candidate not paying income taxes for the last 10 years and then refusing on national media to say that was wrong? So would you say that politicians often make negative comments about those that oppose them?

Mr. STAHNKE. So——

Mr. WEBER. That is yes or no.

Mr. STAHNKE. Yes.

Mr. WEBER. Okay.

Mr. STAHNKE. However, if I may, I think it has gone beyond that.

Mr. WEBER. Okay. Well——

Mr. STAHNKE. I mean, he can make these comments, and then the government has taken steps——

Mr. WEBER. That's—but I don't want to contend with you because I have got a very limited time. They are going to call votes——

Mr. ROHRABACHER. It is yours.

Mr. WEBER [continuing]. Any second. That is right.

So then you said they took steps to shut down tax ID. Is that different, in your view, than the IRS over here not even allowing tax IDs for conservative groups? Is that somehow worse—or worse in your opinion?

Mr. STAHNKE. Shutting off tax IDs because the groups receive foreign funding which——

Mr. WEBER. But you agree that happens over here as well, and when they do even allow the tax IDs, right, would there have been a difference in political opinion?

Mr. STAHNKE. Sir, I am not aware that—I think groups in the U.S. can receive foreign funding.

Mr. WEBER. But you are aware that the IRS over here has denied tax IDs to conservative organizations.

Mr. STAHNKE. Sir, I am not expert on what——

Mr. WEBER. You are aware or unaware? Let me move on. And how about the 2010 national healthcare law that is—that is absolutely making companies, individuals make health abortion choices, if you will, or reproductive health choices that are against their religious objections. So if you have a group over here that is passing laws that says you are going to do this against your religious, your conscientious objection, is that somehow different than what a majority over there might do under Orban?

Mr. STAHNKE. Yes, sir.

Mr. WEBER. It is different?

Mr. STAHNKE. It is different.

Mr. WEBER. How?

Mr. STAHNKE. Because of some of the changes that have been put in the Constitution.

Mr. WEBER. Okay.

Mr. STAHNKE. But we got a Supreme Court that will eventually——

Mr. WEBER. And they can overcome some of that, especially in the Green case.

Mr. STAHNKE. And they—excuse me, please.

Mr. WEBER. Excuse me. I am running out of time. Then you said that as long as it was ratified by Parliament, and the chairman addressed that, that one particular comment because—to Dr. Simonyi.I think you are against the English form of government with the Parliament. Just because it is ratified by the Parliament, is that somehow worse than being ratified by the United States Congress in 2010 and then unilaterally changed by the executive branch some 30-something times? I think all this talk about Orban being such a devilish character, I mean, you can see some semblances over here. I mean, I am just—I am looking—trying to look at it in the 30,000-foot view.

Mr. STAHNKE. I understand. I would just disagree, sir.

Mr. WEBER. Okay. Now, you also said there was a whitewashing of historical events against the Jews.

Mr. STAHNKE. I don't believe I said that, sir.

Mr. WEBER. Three examples.

Mr. STAHNKE. Yes, I quote Elie Wiesel when I said that.

Mr. WEBER. Okay. Can you give us three examples of what he is talking about?

Mr. STAHNKE. Yes. Southern monument was one.

Mr. WEBER. All right.

Mr. STAHNKE. There is a controversy on a museum. Hungary has a perfectly good Holocaust Memorial and museum in their capital, to their credit, right.

Mr. WEBER. Okay.

Mr. STAHNKE. But the government wanted to open—wants to open an additional museum——

Mr. WEBER. All right. So you have got——

Mr. STAHNKE [continuing]. To the victims of the occupation.

Mr. WEBER. Three examples. So would you—would you agree with me that when a country starts to exhibit anti-Semitismor snubbing of any other country for that matter, but let's say Israel in this case, it is a bad thing and sometimes it even begins with snubbing of their leaders. I mean, witness what happened with Benjamin Netanyahu coming over here and couldn't be received at the highest level because he wasn't welcome. So could you agree that that is along those same lines?

Mr. STAHNKE. I don't see the connection, sir.

Mr. WEBER. You don't see the connection.

Mr. STAHNKE. No. No.

Mr. WEBER. So it is okay. In other words, if that doesn't rise to the level of your concern, that there is no connection. If it rises my concern, that doesn't matter.

Mr. STAHNKE. No, I don't think that is what I am saying, sir. Maybe I don't understand your question.

Mr. WEBER. Well, I am just saying that that happens in multiple countries. It is not just over in Hungary, right?

Mr. STAHNKE. Anti-Semitism is a feature of many countries; that is correct.

Mr. WEBER. Would you categorize the snubbing of Netanyahu as anti-Semitism?

Mr. STAHNKE. I don't have a view on that, sir.

Mr. WEBER. You don't have a view. Okay. Just curious.

Mr. STAHNKE. So my—what I am looking at here——

Mr. WEBER. I have got 30 seconds left.

Mr. STAHNKE [continuing]. Is a international commitment, sir, and a compliance with international standards, not promoting U.S., how the U.S. does a——

Mr. WEBER. Okay. Well, I am sorry, I am out of my time. I want to go back to Simonyi. You said no other country in the EU had the power concentrated as in Hungary.

Ambassador SIMONYI. True.

Mr. WEBER. Okay. Give me country number 2 and country number 3, and who is number——

Ambassador SIMONYI. I wouldn't want to make this comparison, but what I would like to say, and which is—which dovetails—or is related to a comment that you—the chairman made earlier. I remember my conversations with President Bush when he would compare—compare and ask me questions about Hungary in the same group as Denmark and Sweden and Norway, and I am very, very saddened by the fact that now you are asking about a totally different group of immature democracies.

Hungary used to be a very up on the top of the list of most advanced democracies in central Europe, and that is really my concern. My problem is that we have not made real progress. And I would also—I would also like to—like to come back to anti-Semitism. I do not believe Viktor Orban is anti-Semitic, but I do not believe that he has done enough to push back on anti-Semitism open or covert in my country.

Mr. WEBER. Mr. Chairman, I am going to yield back because I know they are calling votes any minute, and you have more questions.

Mr. ROHRABACHER. Thank you. We are going to have votes pretty soon here. Let me just follow up with a few final questions.

Let me just say, this bandying around the word "anti-Semitism" is a travesty. I think anybody doing that should be—I mean, hang your head in shame. You know, anybody who is saying—I have listened to what you are talking about. I have found no evidence of anti-Semitism in the testimony today. That they didn't build a statue that expanded upon the victims of Hungary during the Second World War to specifically include Jews instead of everyone who suffered, that is not anti-Semitism, and you should be ashamed of yourself for suggesting that it is.

Mr. STAHNKE. Sir, I did not call that anti-Semitism.

Mr. ROHRABACHER. Sir, you may have some very important other points to make that are legitimate, and this is your—your colleague over here has just admitted Orban that has no anti-Semitism in him now, and he said he might appealing or somebody might be appealing to it. This—this charge that—of anti-Semitism, I tell you, of all the things came out today, has shown the type of malicious untruths and lies that are being told because this is not true from what I have heard today.

We have asked you for evidence, and you have come up with things that are nonsensical. The fact is that they have museums. They completely are recognized, that the Jews were murdered during World War II. They completely understand that. There are museums to that end. There are synagogues—are through not syna-

gogues operating in Budapest? So with that said, I think—I am going to give you—I am going to actually give you a chance to answer that, so——

Mr. STAHNKE. Thank you, sir. I appreciate that.

Mr. ROHRABACHER. Number 2, homophobic—it is a good—you are the only person who had courage enough to really pinpoint where a lot of people are upset with the Orban government, and it is that they don't like gay marriage and they don't want abortion. They are more traditional Catholics, and they were elected by a huge majority so they would pass laws that reflected the culture and values of their people.

And I know that some people can't—you know, their policy toward gay marriage should be something they determine by their culture, their values, and their parliamentary and democratic system, and I don't consider—although I personally have—if someone who is up castigating someone saying bad things about someone's personal life, I think that is wrong. I personally think that is un-Christian, but people have a right to set their standards in terms of what they mean by marriage and by what they mean by some of their religious—their own religious convictions.

I do not think that requiring two-thirds majority is in some way anti-democratic. I think it is pro-democratic to not to require two-thirds majority. I would suggest, Mr. Weber, you pay attention to the type of things that he is talking about that have happened here in the last 6 years, blatantly happened here in the last 6 years, and you are claiming that we should question that whether Hungary has this democratic government or whether their government is dedicated to democracy, when they are doing worse things here than what you have charged with.

And I mean, we have had out—people in our political party targeted by the administration by the IRS. We have seen friends of ours like Curt Weldon have his home invaded by the FBI, and then he lost his election by a few hundred votes. We see these things here. They are not right, but it doesn't make us a non-democratic country. It means we got to start working together and perfect it and not have tolerance for basically the type of abuse that you are talking about.

So—and that we are talking about. So let me just finish it up, and I will give each one of you 1 minute to summarize and to actually disagree with me or cut me down or whatever you have to say is fine, but let me just say that I think that what has come out of here, this hearing today, is there is a double standard, a heavy double standard going on here treating Hungary differently. And I think that it flows directly from these values, these traditional values that their government has—has embraced, and I think it is wrong, and we—they are not perfect. They are certainly not perfect, but I haven't seen hardly any evidence to suggest that charges made against the Orban government are real, but are, instead, are based on politically motivated attacks based on double standard.

With that say, we will go 1 minute apiece.

Mr. VOLKER. Great. Mr. Chairman, members, thank you very much. I could go around the alliance and find in every single allied country policies I disagree with. I could find practices I disagree with. I could find evidence of corruption. I could find all sorts of

things. I don't think that is what I would like to do with our allies. I would like to work with them, try to improve what we can, and deal with our common external challenges

Mr. ROHRABACHER. Okay. Mr. Volker, thank you, and one last little point here, and that is, anti-immigrant. I don't know the details. We didn't get into that here, but you are sitting with three Members of Congress who are very upset that we have millions of illegals in this country and do not want to give them amnesty. We do not want to encourage more people to come here illegally.

We have heard so many times—we have been called racist so many times just for that, for watching out for the interests of the American people in terms of who is going to come into our country. I don't know if that is the same thing, and I am going to give you 2 minutes to include that answer. Go right ahead.

Mr. STAHNKE. First of all, sir, with all due respect, I do not bandy about the term anti-Semitism, and my organization does not either. For 12 years, Human Rights First, unique among international human rights organizations, has had a campaign to combat anti-Semitism, particularly in Europe and throughout the OSCE countries.

So I take that very seriously, sir. I said that Prime Minister Orban had expressed their tolerance for anti-Semitism in his country, and that was a very important statement, and I welcome that.

I did say that he has engaged in policies and actions that have promoted a different historical understanding and that there are major segments of the Jewish community in Hungary who have objected to that, and that is true. And this is—this is cause for concern.

And Jobbik, right, which is extremely anti-Semitic, I think we would both agree on that point, is growing in power. And I am not suggesting the United States should create a situation where it makes it more likely that this extremist anti-Semitic racist party comes to power. Quite the opposite. It should be promoting a situation where there is more adherence to international standards. This—I am not looking at this in terms of what the United States, you know, promoting how the United States does things.

One quick example, sir, that constitutional amendments, there are five of them, once they put through that Constitution, one of them cut down the jurisdiction and removed the case law of the constitutional court. I think the international community supported, in countries transitioning from Communism, rights in their Constitution and a constitutional court to protect those rights. This government has cut back the jurisdiction of the constitutional court and removed—that court had done important things to protect people's rights.

That is an example, sir, of checks and balances. It is not about how we do things in the United States. It is about universal principles and a chance for the Hungarians to see that their rights are protected. Thank you.

Mr. ROHRABACHER. All right. Thank you.

Ambassador SIMONYI. Mr. Chairman, I want to——

Mr. ROHRABACHER. You have the last say of the day.

Ambassador SIMONYI. Thank you. I want to be very clear. This is not about gay rights, and I don't want to go into it. It is just very

important that the leader of the country chose tolerance and acceptance to all its citizens, whatever their sexual orientation. That is all about. I don't want to—the rest is really not important here.

I want to make another—the next comment is really about I do not believe Hungary should be—should be this close to Russia, this close to Vladimir Putin. I think it was wrong, and I—personally I was saddened by the fact that Hungary was the first ally to give Vladimir Putin recently the red carpet treatment in Budapest. And I think it was wrong, it was the wrong message, and it was kind of breaking, breaking the solidarity and the unity of our alliance, and I think that is very important.

And then thirdly, last—lastly, I would—I would say that, you know, what I really hope you understood from this conversation. I don't—I don't care about the system that the Brits have. I really don't care about the system that the United States had. You have had a long run of your democracy. U.S. Democracy is mature and strong. All I am saying is concentration of power, to the extent it is concentrated in Hungary today in the hands of one party and one person is dangerous when the country is so immature in its democratic institutions where the democratic institutions have been weak. This is really what I wanted to say.

And a final word. I have no doubt, Mr. Chairman, that Hungary will get through this phase, and I do believe that Hungary will figure out a way to stabilize its democracy because only a democratic country, only a democratic Hungary has a serious and real future.

Mr. ROHRABACHER. Okay. I want to thank all the witnesses. There is a vote on right now.

Mr. POE. Yes, sir

Mr. ROHRABACHER. Okay. So we are going to have to run out, but thank you very much. I turned off the mic. Thank you very much. We have a vote on, and let me just say that I deeply appreciate all of you. I think it is very good back and forth. I sort of enjoyed this. I think that is part of what we are supposed to be all about, and I especially, your last statement, understand your concerns. That is what you are talking. You are saying you are based on concerns, and okay. And we are all—we are all rooting for the good guys, which is everybody who believes in tolerance and treating people decently and having a democratic government. We are all rooting for the good guys wherever they are, so thank you all so much for testifying today.

[Whereupon, at 4:20 p.m., the subcommittee was adjourned.]

APPENDIX

Material Submitted for the Record

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-6128

Subcommittee on Europe, Eurasia, and Emerging Threats
Dana Rohrabacher (R-CA), Chairman

May 18, 2015

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on Europe, Eurasia, and Emerging Threats in Room 2200 of the Rayburn House Office Building (and available on the Committee website at www.foreignaffairs.gov):

DATE: Tuesday, May 19, 2015

TIME: 2:00 p.m.

SUBJECT: The Future of U.S.-Hungary Relations

WITNESSES:

Panel I
Mr. Hoyt Brian Yee
Deputy Assistant Secretary
Bureau of European and Eurasian Affairs
U.S. Department of State

Panel II
Andras Simonyi, Ph.D.
Managing Director of the Center for Transatlantic Relations
School of Advanced International Studies
Johns Hopkins University
(Former Hungarian Ambassador to the United States)

The Honorable Kurt Volker
Executive Director
The McCain Institute for International Leadership
Arizona State University

Mr. Tad Stahnke
Vice President, Research & Analysis
Human Rights First

By Direction of the Chairman

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COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON *Europe, Eurasia, and Emering Threats* HEARING

Day *Tuesday* **Date** *May 19, 2015* **Room** *2200*

Starting Time *2:18pm* **Ending Time** *4:20pm*

Recesses [ ] (____to ____) (____to ____) (____to ____) (____to ____) (____to ____) (____to ____)

Presiding Member(s)

Congressman Dana Rohrabacher

Check all of the following that apply:

Open Session [✓]
Executive (closed) Session [✓]
Televised [✓]
Electronically Recorded (taped) [✓]
Stenographic Record [ ]

TITLE OF HEARING:

The Future of U.S.-Hungarian Relations

SUBCOMMITTEE MEMBERS PRESENT:

Rep. Meeks, Rep. Sires, Rep. Cook, Rep. Poe, and Rep. Weber

NON-SUBCOMMITTEE MEMBERS PRESENT: *(Mark with an * if they are not members of full committee.)*

Rep. Smith

HEARING WITNESSES: Same as meeting notice attached? Yes [✓] **No** [ ]
(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: *(List any statements submitted for the record.)*

TIME SCHEDULED TO RECONVENE _____
or
TIME ADJOURNED *4:20pm*

Subcommittee Staff Director