

Weekly Newsletter

News

Fidesz-linked daily attacks US ambassador

A Magyar Nemzet editorial criticises US ambassador Eleni Tsakopoulos Kounalakis, having printed her op-ed piece that offered Fidesz cautionary advice on last Wednesday. The daily says Kounalakis is the first US ambassador in 21 years not to have displayed any party political bias, but adds that she is now “directly and rudely” interfering in Hungarian domestic politics. The Fidesz-linked daily’s Brussels correspondent writes that “one can only conclude [that the ambassador's opinion was triggered by] MEP Tamás Deutsch’s remark on Twitter... If the US envoy did not criticise the Gyurcsány cabinet for the fact that its police had a Fidesz MP half beaten to death ... then she should leave Hungary alone. At once,” he adds.

Far-Right Protest Planned for Sziget Festival Banned After They Forget to Show Up

In bad news for Hungary's far-right troublemakers but good news for everyone else, the "64 Counties Movement" that had sought and gained a permit to protest on Budapest's Hajógyári Island from August 1-20 (the same time as the Sziget Festival) have had their permits revoked since none of them bothered showing up on last Monday to start their protest ostensibly against "high gas prices." The previous week, they had entered a request to change the start date to August 9, but the police rejected this on the grounds that the Sziget Festival already had permits for the time period and area, thereby meaning that if they did not appear on the 1st, the police could cancel their permits, which they promptly did. While many people had wrung their hands over whether this situation would create any legal precedents or if the protestors would be given a small area inside the festival (no doubt surrounded by porta-potties), the far-right organization managed to shoot themselves in the foot, although no doubt they'll find some minority group to blame everything on. Chief organiser of the planned 64 Counties Youth Movement demonstration at the Sziget festival Zoltán Gyimesi vowed that the far-right group will ignore Wednesday’s police ruling banning the move.

The "Sziget Festival" is Europe's largest popular music festival, which attracts hundreds of thousands of visitors from all around the world each year started on Wednesday, 10 August 2011. and lasts until Monday, 15 August 2011. This year, performers include Prince, Kasabian, Good Charlotte, Deftones, Within Temptation.

source: Politics.hu

Zsolt Gréczy’s letter to Péter Sziijártó – and the response to it by Tamás Deutsch

Zsolt Gréczy believes that Mr. Sziijártó and other government members should say a quiet “thank you” to former prime ministers Ferenc Gyurcsány and Gordon Bajnai that Hungarian public debt increased by only as much as it did (and not more) during the worldwide financial and economic crisis. As a response to the letter, Fidesz MEP Tamás Deutsch allusively asked Mr. Gréczy whether he had already inquired about the possibility of writing a blog in detention.

“I am writing to you this letter because I would like to warn you as a friend that those things to which you have attached your name recently are now absolutely embarrassing. (Moreover, I do think that the earlier things are also, but right now, that does not matter.) The deeds that you have undertaken lately in connection with the issue of the Hungarian public debt or foreign currency loans can harm you substantially in the future. (If only you did not vote for the mayor of Orosháza [a middle-sized town in South Eastern Hungary; population: almost 30 thousand] as a member of the parliamentary subcommittee for accountability, under whose tenure the Orosháza City Council’s

debts actually quadrupled...)" – wrote Zsolt Gréczy in his latest blog entry. In Gréczy's opinion, Péter Szijjártó should think it over once more whether three former Hungarian prime ministers could really be sent to jail, together with their four finance ministers. "With no excuse on your side, have you ever thought about the consequences of such actions on the domestic and international political stage? Do you really think that there are not many facts and records on when and what you said and did that lead to increases in the Hungarian state debt, which is – by the way – still in a mid-field position within the EU today? Or, at first you will send the prime ministers into the jail, then you might follow with all the other people who were members of the government between 2002 and 2010, and finally, would you also imprison every former MP of the Socialist Party and SZDSZ [Alliance of Free Democrats]?" – asked Gréczy in his blog. "Just imagine what will happen when you eventually lose power – I think that this will happen in 2014 the latest, while you probably believe that it cannot happen sooner than within a few decades –; however, you will still be living at that time given that you are a young person. And a new government will be sworn into power, whose radical groups that will demand reckoning with the former political elite might accuse you and Lajos Kósa that you have purposefully brought the exchange rate of Hungarian Forint (HUF) against other currencies to ruin, and with malice aforethought. You will stand there like the one-time Béla Biszku, and you will not understand anything. Then the bidding will open as to how many years you (and the current mayor of Debrecen) should receive for those actions. Maybe there will be a detailed investigation into the MOL share buyback program also, given that the share price of the Hungarian oil and gas company has substantially decreased since the transaction" – wrote Gréczy. "In my opinion, instead of poring over the Criminal Code, after 15 months in power, you should say a quiet "thank you" to Gyurcsány and Bajnai that our state debt increased only as much as it did during the worldwide financial and economic crisis, because it increased much more in many other countries of the world" – added the former chief communications advisor of Gyurcsány's previous governments. "It is not fair that you want to remove Gyurcsány by a political show trial – or anyone else who might be dangerous again; anyone who is capable to overthrow your budding dictatorship (which has been under construction for some time now). (And it is not my opinion; it is just what I am currently reading in the international press' recent reports about our country.) Though Rákosi had all the power he wanted, his reign did not last for more than six years, and he could never return. And even so János Kádár wanted to remove Imre Nagy once and for all; he actually lived to see his solemn second funeral and rehabilitation. It is a shame that Kádár's bones are now lost probably forever; but the sculpture of the prime minister he executed is still standing" – the journalist noted.

Attack on our homeland or criticism on government?

According to the latest analysis of the Policy Solutions research institute compiled for the website stop.hu, foreign criticism on the activity of the Orbán government does not end in the period of political holiday during the summer. Hard foreign criticism on the Fidesz government was characterized by certain topics in the first months in 2011. Criticism slowly abated in line with the tarnishing topics like the case of the media law. It was frequently noticed that the media has drawn high attention to the Hungarian rotating presidency, and that Hungary will not mean so much to the western media from the start of the Polish rotating presidency. The political summer holiday made it clear that none of these assumptions was true. Overall criticism on the entire government is still present from Austria to the United Kingdom. Fidesz frequently blames vast international left-wing conspiracies, managed from Budapest, in connection with foreign criticism. This theory is slightly questioned by the fact that not just left-wing and liberal newspapers but also the British conservative-liberal *The Economist*, or the German conservative *Die Welt* and the Frankfurter *Allgemeine Zeitung* have criticized the government several times. Irrespective of political color, the subject is of the same tenor: questioning the erosion of the democratic checks and balances by the government, which is illustrated with varied examples. Such examples or case studies considered the competencies of the constitutional court were cut, the derogation of the independence of the

state media, or the population of independent monitoring institutions with politicians of Fidesz, and the creation of the single-party constitution. The variety of news builds up a whole narrative which is getting even stronger with every new occurrence. The latest rush of western criticism was generated by the possible criminal impeachment of political rivals. This is an extraordinary and controversial political step, which was also taken against the former prime minister of Iceland. But the contraction of the case with an ex post facto legislation is unacceptable for either conservatives or social democrats, west from Hungary by all means. This kind of surrealistic concept has nothing to do with liberal democracies, this is reflected in how the issue has been labeled by the newspapers. The Austrian Der Standard reported on an “authoritarian mock-democracy”, according to an Austrian politician interviewed in the Die Tageszeitung “it can be compared to dictatorships” what happens in Hungary, and the article, also recently published in the German Süddeutsche Zeitung, characterized the Orbán government as “brutal-populist”. The Frankfurter Allgemeine Zeitung criticized the government’s practice that aims to use retroactive laws in favour of political impeachment, moreover the Economist issued an article condemning Tamás Deutsch, Hungarian member of European Parliament in connection with his Twitter post. The government seems reluctant to consider the true content of these criticisms and only presumes malicious intents behind them. American politics send clear signals from both sides. Hillary Clinton expressed her reservations during her visit in June, and, in an interview with Magyar Nemzet, US ambassador Eleni Tsakopoulos Kounalakis warned the government not to abuse its two-third majority. There are critical voices on the Republican side as well. Dan Burton, Republican representative denounced the law on churches as oppressive. The question remains the same as it was six months ago when the first signs appeared that the foreign press turned out to be in opposition to the government. Does Fidesz manage to frame this criticism as ‘assault against the nation’ based on patriotism, or will the voters consider them as an evidence for the government’s incompetence?

Source: Stop.hu

Socialists call for immediate measures to help borrowers indebted in Swiss francs

MSZP urges the government to take immediate action to help around one million families in Hungary indebted in Swiss francs, national board member Tamas Katona said on last Thursday. The situation that results from the rapid strengthening of the Swiss franc makes it necessary to introduce measures without delay, Katona said. The government has so far failed to take effective steps, he insisted. Some 150,000 families in Hungary have outstanding debts for more than 90 days and additional 165,000 families have debts for more than 30 days, Katona said. At least twice this many have great difficulties paying their instalments, he added. The government should urgently contact the Banking Association and affected banks, as well as organisations representing borrowers because the problem cannot be solved without their involvement, Katona said. Part of the 160 billion forints extra tax revenue that resulted from a bank levy introduced last year and the setting up of a National Asset Management organisation may help resolve the issue, he said. The current Swiss franc rate of more than 240 forints is not only the result of an international situation but also of a general distrust in Hungary's economic policy, he added.

Source: MTI

Mesterházy proposes trade union

Even the weakest or the worst led union is better than standing unprotected, alone and vulnerable without an umbrella, exposed to storms on the market, to the arbitrariness of employers – told Attila Mesterházy when outlining the most important events of the week. The chairman of the Socialist Party MSZP talked about his views last week when discussing the protection of employees, the intentions of the government. He believes that trade unions will play a special role in the following weeks and months. Mesterházy encourages everyone to join to a trade union because that is the only way to take action against the government's ideas. Comparing the new Labour Code to existing rules, it contains a lot of disadvantageous changes to the employees. For example extending working

hours, increasing the liability of employees dramatically, cutting wages, bonuses, while the annual paid holiday would be lower – reminded Mesterházy. The party chairman told that it became clear to everyone who stands on the side of "major entrepreneurs, in fact, the oligarchs and who stands on the side of people who have to make a living on their own".

Dirty attempt to discredit Paul Lendvai

The Fidesz linked Magyar Nemzet came up with a bombastic headline last week: "Michael Cole was the codename of Lendvai." Of course, the full text of this particular piece is available online, unlike the American ambassador's op/ed article a few days ago.

The full-page story says Paul Lendvai, a renowned Hungarian/Austrian journalist, was in fact an informer in Kádár's extensive spy network. However, even Paul Lendvai himself published information which prove the contrary in an article "The Rise and Fall of Michael Cole" in the January 16, 2006 issue of *Élet és Irodalom*. Nevertheless, Magyar Nemzet tried to present it as a scandalous discovery made by them.

The full background story – which has already been published by Lendvai is as follows: Lendvai – "as a Christmas present" – received almost 400 pages of secret service material about himself from the archives of the Hungarian secret service. After a careful reading of the material, Lendvai identified most of the codenames of the informers involved in his case. For example, the famous sports reporter György Szepesi, an honorary citizen of Budapest today, was reporting on him under the codename "Galambos." Another man Lendvai managed to identify was László Endre Loránt, MTI's correspondent in Vienna whose codename was "Urbán." "Urbán" – Lendvai thinks – wanted to make a career within the organization by claiming knowledge of Austrian politics ordinarily not available to an MTI correspondent. Therefore he made exaggerated claims of special information coming from Lendvai who, by the late 1960's, managed to develop fairly intimate relations with leading Austrian politicians. Every time "Urbán" sent something to the officer to whom he reported in the secret service apparatus he added: "Information from Lendvai." The officer in charge of "Urbán" decided that "Urbán" might be able to convince Lendvai to work for the Hungarian national security organization and therefore opened a file for him under the codename "Michael Cole."

Meanwhile "Urbán" was transferred back to Budapest and his successor, "Herczeg" (András Heltai), was unable to provide such colorful reports allegedly coming from Paul Lendvai about Austrian politics. "Herczeg" started to be frustrated: he couldn't get anything out of Lendvai. Therefore "Herczeg" suggested putting pressure on Lendvai by using the Hungarian secret service's connections with other "friendly countries" to deny visas to Lendvai. Lendvai was still useless. After a year and a half, "Herczeg" decided that "Michael Cole" was useless and gave up his efforts to convince Lendvai to cooperate. In the summer of 1965 the file of "Michael Cole" was closed for good.

The unnamed author of the Magyar Nemzet article claims original research in the archives of the state security service. He notes that last year *Heti Válasz*, a right-wing pro-government weekly, already published an article in which it reported that Lendvai had cooperated with the state security services of the Kádár regime. Lendvai denied the accusations then, but Magyar Nemzet has found new evidence. It is not enough for Magyar Nemzet to falsely call Lendvai an informer, but they also denigrate him by saying that Lendvai, who left Hungary in January 1957, "posed as an expert on Eastern Europe and made a decent living out of it, but surely he didn't brag about the fact that he managed to receive 'the Eastern European expert' status with the active help of the Hungarian secret service."

The Government linked Magyar Nemzet doesn't say a word about the angry report of "Herczeg" about the uselessness of Lendvai as an informer, or that "Michael Cole" disappeared from sight in 1965. The paper notes that Lendvai – thanks to the Hungarian secret service – was denied a visa to the socialist countries, but it acknowledges that in 1972 there was a change of policy. The Kádár government decided "it has an interest in allowing [Lendvai] to visit Hungary on a continuous basis." As Lendvai himself explained in his 2006 article, the reason for this sudden interest in him

was that in the intervening years he became a close friend of Bruno Kreisky, who in 1970 became the chancellor of Austria.

Magyar Nemzet, called by many the mouthpiece of the Orbán government, makes a concerted effort to discredit everybody who expresses the slightest criticism of the government and/or Viktor Orbán. Especially if that person is perceived as having a wide influence outside of Hungary as Lendvai.

Open letter of the members of Hungary's democratic opposition in the 1970s and 80s on the oppression of freedom of religion in Hungary

Several members of Hungary's democratic opposition in the 1970s and 80s voiced concern over the current state of freedom rights in the country in a letter addressed to human rights commissioners of the European Union and the Council of Europe, on Monday:

"Dear Vice-President Reding,

Dear Commissioner Hammarberg:

The undersigned, participants of the erstwhile human rights and democracy movement that opposed the one-party communist regime in the 1970s and 1980s, request you to take resolute action in defence of freedom of religion and other fundamental liberties that are presently in great danger in Hungary.

On 12 July 2011, based on a draft presented just two hours before the vote, Hungary's Parliament passed a law on churches that deprived more than 100 religious denominations of their church status.

In blatant disregard of Article 10 of the Charter of Fundamental Rights of the European Union and Article 9 of the European Convention on Human Rights, only fourteen denominations were allowed to retain their recognition as churches and the rights that come with it.

In breach of democratic standards separating church from state, the law declared that, in the future, the authority to recognize churches will be a vote by the political parties sitting in Parliament.

The fourteen denominations that were allowed to retain their registration are the Roman and Greek Catholic Churches, the Eastern Orthodox churches, the Lutherans, the Calvinists, select Jewish denominations, the Hungarian Unitarians, the Baptists, and the Faith Church.

Among the churches that were discriminated against are, to mention only a few, Hungary's Methodist, Pentecostal, Adventist and reform Jewish churches; the Salvation Army and Jehovah's Witnesses; and all the Islamic, Buddhist, and Hinduist congregations.

Not only were these communities pushed into a pariah status overnight, but all of their social, healthcare and educational services were stripped of their lawful subsidies.

Many of the now de-registered churches have been leaders in social services for the homeless, the elderly and the poor. They have provided assistance for tens of thousands of persons in need, including Roma, inmates, children and young people. Withdrawing their subsidies leads the way to a social disaster.

Several of the cast-out churches have been running successful middle and higher education schools which now will be denied accreditation.

This unabashed violation of freedom and equality of religions is paired with an open about-face from the separation of religious and political institutions that was achieved in our democratic transition twenty years ago.

In the future, all the now-ostracized churches as well as all new ones will have to request recognition from a government minister, who will "evaluate" their religious creeds. Such requests will also have to obtain authorization from the secret services. If the minister chooses to consider the request, it will be sent to Parliament, where the sitting political parties will decide whether church status should be recognised. A positive result will necessitate a two-thirds vote.

The right to judicial overview is denied in this process. Any religious group that has been in existence for less than twenty years is automatically excluded from recognition. In violation of privacy rights, at least one thousand citizens have to personally sign each submitted request.

Dear Commissioners Reding, Hammarberg!

Never before has a Member State of the EU so blatantly dared to go against the principles of freedom of beliefs, equality before the law, and separation of church from state. These are all established fundamental rights in our common Europe.

In the 1970s, under the Soviet domination over Eastern Europe, all we could do in similar situations was to hold vigils at worship sites that had been shut or demolished.

We fought for a Europe that is united under human rights. Have our hopes been in vain?

The passage of this law is only the latest disturbing example of the many serious setbacks in human rights and the rule of law that have occurred recently in Hungary.

We sincerely hope that, after studying Hungary's new Church Law, you will start an official inquiry into this violation of the rights that are possessed by all Europeans.

Yours sincerely,

Attila Ara-Kovács, journalist

György Dalos, writer

Gábor Demszky, former Mayor of Budapest

Miklós Haraszti, former OSCE Representative on Freedom of the Media

Róza Hodosán, former MP

Gábor Iványi, pastor

János Kenedi, historian

György Konrád, writer

Ferenc Kőszeg, Founding President of the Hungarian Helsinki Committee

Bálint Magyar, former Minister of Education

Imre Mécs, former MP

Sándor Radnóti, philosopher

László Rajk, architect

Sándor Szilágyi, writer on photography

Gáspár Miklós Tamás, philosopher"

Hungary general govt deficit 126.2% of full-year target in July

Hungary has reported a huge budget deficit in July compared with earlier years. As a result of the one-off cost of the MOL share buyback program, a HUF 1,500 billion gaping hole is in the budget in the first 7 months of 2011, thus overshooting the amended end-2011 deficit target by 26%. Excluding the effect of the state's purchase of a 21.2% stake in Hungarian oil and gas company MOL or €1.88 billion at the beginning of the month, the deficit would have reached HUF 996.2 billion by the end of July, the ministry said. Hungary's Parliament recently modified the full-year deficit target to HUF 1,184.2 billion from HUF 687.4 billion, because of the purchase of the MOL stake in a deal announced in May.

"We have not bought MOL shares in order to sell them," the Prime Minister's Spokesman Péter Szijjártó commented on Hungary's future plans with MOL in an interview with business weekly HVG. The statement came as a surprise considering the fact that State Secretary Mihály Varga claimed the exact opposite only a few weeks ago.

Adjusted for the pro rata effect of HUF 528.8 billion in revenue the budget is receiving from private pension fund assets transferred to the state's Pension Reform and Debt Reduction Fund and revenue from extraordinary sectoral taxes, as well as excluding the purchase of the MOL stake, the deficit would reach HUF 869.1 billion at the end of July, the ministry said.

The ministry left its projections for the rest of the year unchanged. It expects the deficit will reach HUF 1,479.7 billion, or 125% of the full-year target by the end of September before finishing the year at 100.0% of the full-year target. It projects the general government will have a deficit of HUF 445.1 billion in the third quarter and a surplus of HUF 295.5 billion in the fourth quarter.

In a breakdown of the general government, the ministry said the central budget ran a HUF 1,367.5 billion deficit in January-July. The gap for the social insurance funds reached HUF 212.4 billion, but separate state funds had a surplus of HUF 85.4 billion.

In June alone, the general government had a HUF 459.9 billion deficit. The central budget deficit came to HUF 460.1 billion and the social insurance funds were HUF 23.7 billion in the red, but separate state funds had a HUF 23.9 billion surplus.

Source: MTI

Hungary's industrial output fell

Hungary's seasonally and workday-adjusted industrial production index declined by 0.6% in June month-on-month, according to the preliminary data of the Central Statistics Office. Industrial output volume fell 1.4% year-on-year in June, while workday-adjusted figures show 1% increase. The aggregate output in the first six months of 2011 exceeded the previous year's corresponding figure by 8.1%. The figures are a clear indication that the time has come to reassess Hungary's growth outlook, unless you have already done so. Industrial production, so far the sole driving force behind economic growth, declined in 3 of the past 4 months on a month-on-month basis, reaffirming a downturn in economic growth trendlines in and outside of Hungary. As a result of weak monthly reports, Hungary witnessed a downturn in the 12-month index as well. The index fell from a 2-digit range in early 2011 to stagnation by now. At this point, the question as to what could possibly rev up the national economy in the current adverse global environment remains anyone's guess. Internal drivers such as domestic consumption or investment are hardly likely to improve in the next 12 months, however the export-import gap may get narrower even so, potentially weakening the forint. In light of the latest data, we begin to wonder if 3% economic growth may be an overly optimistic estimate not only for this year but in 2012 as well. And lower growth may necessitate increased fiscal stabilization measures.

A comment from CIB bank is also reflecting a gloomy outlook for Hungary. "The figure is also a surprise in light of the better-than-expected German manufacturing orders statistics that had been released yesterday. Originally we projected the slowdown of industrial performance in H2 this year, but at a far slower pace." CIB suspects a "one-off burdening impact" as the culprit for the decline especially as trade statistics indicate ongoing strong performance without any sign of a downturn. "While we do not expect Q1 industrial production growth rates to return this year, we expect better months to come and the annual industrial production growth may be close to 6 percent as we originally projected," CIB analysts concluded.

source: Portfolio.hu

What will Orbán do without growth in Hungary? - Nomura

A key question for Hungary at the moment is how the government will be able to implement debt cuts and structural reform if economic growth is not there; another is whether political commitment to carrying out mid-term plans will change as the next election is approaching, London-based Nomura analyst Peter Attard Montalto highlighted in an interview with Portfolio.hu.

In unison with recent comments by UniCredit analysts, Peter Attard Montalto is of the view that "it would be really very wise if Hungary were to have a stand-by or precautionary credit line, but that's clearly not going to happen because of the fraught relationships" with the International Monetary Fund. The analyst, who is rather bearish on Hungary's economic outlook compared with others in London, said it would not be fair of investors to lump Hungary with Eurozone periphery countries. However, as concerns future downgrades "the risk is definitely to the downside in long term even if more evenly balanced in the short term."

Full interview: <http://www.portfolio.hu/en/cikkek.tdp?k=2&i=22707>

Comments

The smell of defeat

Orbán made it clear: he does not keep up his strategy from before the so-called „social referendum”, according to which the middle classes would have had to join forces with the families in need. He does not give a damn for the latter, nowadays. The tax laws, the restructuring of the welfare system, the concepts for public and higher education all show that Orbán believes in, and implements, the worst kind of conservative politics based on class greed. He is of course a populist and a nationalist, too – but that’s not the point for now.

Orbán only supports the upper echelons of the otherwise quite thin middle classes. It is them, whom his measures want to provide with opportunities. But there is a snag: the votes of that group are not enough, by far, to keep his majority. Hence, something else must be up his sleeve.

If the majority cannot be achieved on social, economic or educational grounds, one must organise an ideological camp held together by forces beyond the utilitarian principles of the material world. The nation needs to be given a vitalising, elevating idea – and I almost forgot: real, tangible enemies that you can present on TV.

Orbán wants to imprison several of us? Yes. That would be nice. But until then, it may be quite sufficient if the majority sees us as criminals. The final court verdict is not relevant any more – if the public opinion hammered home every single day considers that we are crooked villains. The current story about state debt is – obviously, according to all legal logic – simple nonsense. However, Orbán does not apply the logic of law but that of propaganda. If people believe that we the leaders and members of earlier governments, along with the parties who supported us, are guilty, if there is no alternative, then even the support of a few may be enough to gain the majority.

I wrote earlier that Fidesz was continuously winning the competition of narratives, frameworks of interpreting current events. That was the case with the Ószöd speech, or the Police measures of October 2006. Now, we are in the middle of another such competition. And the opposition of Fidesz – among them the Socialist Party – is again on the defensive. This is the road to political death.

Those who do not attack Fidesz – needless to say: in a morally and legally honorable way – but only defend themselves will lose out in the end. That’s where we are now. There is a strategic question on the agenda, and our side is just messing around. Along with its press, politicians, and so-called analysts. I think, most of them do not understand what’s happening.

Oh, and what about imprisonment? That is not important. You can endure almost anything. Except this unbearable sliminess and mediocrity. Because it sheds the smell of being defeated.

www.facebook.hu/gyurcsany

Orbán's behavior 'threatens democracy' - Financial Times

In its recent editorial piece titled "Orban warfare" Financial Times gives its view of Hungarian politics and the direct Fidesz government is taking the country towards.

“Barely had Hungary stepped out of the spotlight surrounding its EU presidency in the first half of this year before Viktor Orbán’s Fidesz government resumed its efforts to establish long-term political domination of the country. Further proof of its determination to squash opposition, above all the rival socialists, comes with its attempts to charge three former premiers with “criminal” economic mismanagement, after the state debt spiralled in the past decade. Officials in Greece, not to mention the US, might quake at the precedent – were the idea not so legally spurious, says FT.

Ever since communism collapsed, Hungary has had a polarised and bare-knuckle political culture. Socialist governments in 2002-10 also did their best to hobble Fidesz. Ferenc Gyurcsány, the former socialist prime minister, was famously caught on tape confessing that his party had “lied morning and evening” for two years to win re-election in 2006.

However, FT believes that Mr Orbán's behavior is reaching the point where it threatens democracy. That is particularly worrying given that Fidesz's programme is tinged with nationalism. The government passed a much-criticised media law, trimmed the constitutional court's powers, stuffed many regulators and watchdogs with loyalists and closed or defanged others.

The government has proposed new electoral rules that would squeeze small parties and benefit big ones, particularly Fidesz. It has restricted official recognition of religions, which qualifies them for state funds, and handed the job of recognition not to courts but to the (Fidesz-dominated) parliament. Mr Orbán's supporters say nothing is more democratic than increasing parliament's role. But such arrangements can help create clientelist networks.

Strip away the revolutionary zeal and many Fidesz policy goals are sound, FT admits. But they are too often enacted in clumsy, shoot-from-the-hip fashion. Mr Orbán would do better to use his popular mandate to attempt genuine modernisation, not monopolisation, of the political environment. And though Hungary's EU presidency is over, Brussels, and other member states, should keep Budapest under a different kind of spotlight – to ensure it upholds the values on whose basis it was admitted to the Union.”

<http://www.ft.com/intl/cms/s/0/b3a290ee-bec5-11e0-a36b-00144feabdc0.html#axzz1UGrKgRsa>

Hungarian government slams Financial Times editorial

From Mr Zoltan Kovacs.

Sir, Your editorial “Orban warfare” (August 5) on the Fidesz-led coalition government in Hungary raises the question of the basis on which these criticisms are made. The Hungarian government is accountable to Hungary's voters, not to foreign journalists, even if you decry this as “nationalism”. The government's support at home remains solid. Hence its legitimacy, derived from the voters, is not in question.

No one likes to be criticised by outsiders and the effect of external criticism is to strengthen support for a government that resists being pushed around by foreigners. This may well be an unintended consequence of your editorial and others like it.

Additionally, your negative comment would have much more force if you had been equally critical of the 2002-10 leftwing Hungarian governments and their disastrous policies. This was not the case, despite occasional tut-tutting, and there is an undeniable whiff of a double standard being applied. Are centre-right governments to be assessed by harsher criteria than leftwing ones? Many people in Hungary see it that way and that inconsistency undermines your criticism in Hungarian eyes. This is what counts.

On the specifics, your observations about the charges potentially being brought against the former premiers are premature, indeed inaccurate. There has been no attempt to bring charges. Rather, a recommendation has been made to the appropriate parliamentary committee to consider the grounds for charges to be brought. Nor, in the event, would any charges be brought retroactively: Hungary's constitution would not allow this.

It is ironic that you presume sufficient knowledge of the legal basis to label the government's actions as “legally spurious”, while at the same time demonstrating that you yourself have a very poor understanding of Hungarian law.

Zoltan Kovacs,

Minister of State for Government Communication,

Hungarian Ministry of Public Administration

<http://www.ft.com/intl/cms/s/0/3ad04a30-c1bd-11e0-acb3-00144feabdc0.html#axzz1Uc98KXiR>

2002-2008 – Eight years of growth

The Orbán government, suffocating under the pressure of the debt crisis created by itself as well as the world economy, is making pathetic attempts to discredit the history of Hungary between 2002 – 2010, portraying it as a period of misery and destruction. Below I would like to entertain my deadly friends and dearest enemies with some official data...

- Balance of Trade in Goods:
 - 2001: € - 3552 million (negative)
 - 2009: € + 2602 million (positive)
- Inflation
 - 2001: 9,2%
 - 2009: 4,5%
- State subsidies to agriculture and rural development
 - 2001: HUF 206,8 billion
 - 2009: HUF 613,3 billion
- Length of the motorway and expressway network:
 - 2001: 538 kms
 - 2009: 1285 kms
- Real value of average income
 - 2001: 100,0%
 - 2010: 129,5%
- Welfare expenditure as % of GDP
 - Pensions
 - 2002: 8,2%
 - 2010: 10,4%
 - Health
 - 2002: 4,2%
 - 2010: 4,7%
 - Education
 - 2002: 4,9%
 - 2010: 5,5%
 - Support to families
 - 2002: 1,7%
 - 2010: 2,0%
- Average income of full-time employed
 - 2001: HUF 64.913

- 2010: HUF 140.868
- Net average income of state employees
 - 2001: HUF 102.833
 - 2010: HUF 202.835
- Gross average income (national economy overall)
 - 2001: HUF 103.533
 - 2010: HUF 204.800
- Family allowance / child / month
 - 2001: HUF 4.700
 - 2009: HUF 13.300
- Average child care fee for mothers
 - 2001: HUF 39.274
 - 2009: HUF 75.000
- Normative state support to play-schools (child day care facilities) / child / month
 - 2001: HUF 179.000
 - 2009: HUF 540.000
- Number of apartments
 - 2001: 4.065.000
 - 2009: 4.310.000
- Privately owned motor vehicles
 - 2001: 2.244.574
 - 2009: 2.779.955
- Average age of motor vehicles
 - 2001: 12.48 years
 - 2009: 10.85 years
- Internet subscriptions
 - 2001: 321.674
 - 2009: 2.434.000
- Expenditure for pensions:
 - 2001: HUF 1318,8 billion

- 2009: HUF 2995,0 billion
- Average pension:
 - 2001: HUF 39.647
 - 2009: HUF 85.287
- State Debt as % of GDP, in 2010:
 - Hungary: 79,8%
 - Belgium: 100,9%
 - France: 86%
 - United Kingdom: 81,7%
 - Italy: 116,1%
 - United States 97,5%
 - Eurozone average 83,6%
- Operating cost of the state
 - 2002: 15,9% of GDP
 - 2010: 12,4% of GDP
- Personal Income Tax and social security contributions as % of gross income
 - 2001: 38,4%
 - 2010: 31,2%
- Number of Ambulance vehicle stations
 - 2001: 203
 - 2010: 230
- Citizens with valid social security insurance
 - 2001. 3.836.000
 - 2009. 9.752.073

There is more. I will return later.

Obviously, I do not expect anything from Fidesz. But I hope the socialists will finally grasp that they should not be ashamed, but advertise the heritage of their joint government with the liberals.

http://greczy.blog.hu/2011/08/08/2002_2010_a_gyarapodas_8_eve?utm_source=ketrec&utm_medium=link&utm_content=2011_08_08&utm_campaign=index