

## Weekly Newsletter

### News

#### **Far right party leader, István Csurka named artistic director of Budapest theater**

Playwright and MIÉP leader István Csurka has been given the position of artistic director at Budapest's Új Színház. Csurka submitted a joint bid for the post of director in tandem with actor György Dörner, who will become theatre director from February. István Márta, who has run the theatre for 13 years, also applied for the post, and was backed by six votes to two by a professional panel who had interviewed all of the applicants. Mayor István Tarlós signed the appointments on Thursday.

The winner of the tender to become Új Színház director György Dörner has published his bid, which includes the sentence "Hungarians will declare war on the liberal entertainment state, which has sunk to the brothel level". Dörner will take up the post from next February, with MIÉP leader István Csurka as his "intendant". The theatre will be renamed Hátország (Hinterland).

Dörner is a self-confessed supporter of extreme right wing party leader István Csurka, whose party (MIÉP) was voted out of parliament in 2002. He also campaigned for Jobbik last year. Csurka, however, is a fierce critic of Jobbik and often supports the government in his regular editorials in the MIÉP weekly, Magyar Fórum. In his application for the job (leaked by a new "transparency site", <http://www.atlatszo.hu>), Dörner named Csurka, once a popular playwright, as the spiritual leader of his project.

The Hungarian theatre society sent an open letter to mayor István Tarlós after he vetoed "a majority professional opinion" of 6-2 in favour of the present director István Márta, and chose Dörner instead. The letter added that the decision has increased the theatrical community's and voters' beliefs that the only motivations of theatre appointments are political. However Tarlós dismissed the open letter as "inconsiderate, irritating and contemptible". City Hall press chief Mária Somlyó Szűcs said Tarlós considers the dispute closed, adding that City Hall finds it unacceptable that "the smallest change elicits such an aggressive response from theatre directors".

Csurka said he would like to see the theatre perform new plays with "public themes", such as former prime minister Ferenc Gyurcsány, and the history of Hungary's privatisations. Both the Socialists and Politics Can Be Different (LMP) protested the appointments. Philosopher Ágnes Heller said "a theatre has been handed to the far right, and racists".

The website of Der Spiegel carried an article at the weekend entitled Far Rightists Take Over Running of a Theatre, which described Csurka as "a well known anti-Semite". Belgium's RTL described Dörner and Csurka as "far-right figures", adding that their appointment has filled the entire Hungarian theatrical community with anxiety.

In HVG Online, Árpád W. Tóta, a popular blogger, ridicules the left-wing press for interpreting Dörner's application as a declaration of war, rather than as an artistic programme. (Dörner wrote in his mission statement that his main aim was to fight the "liberal yoke" under which Hungarians "are groaning.") "There is nothing even vaguely reminiscent of a major scandal," – he suggests. "All that has happened is that a group of severely mentally handicapped people have been granted another opportunity." It is not an inexpensive venture – Tóta continues, but "since we live in a (civilised) society, we should not deny the disabled their group therapy." Bálint Ablonczy, a regular columnist at the Fidesz linked *Heti Válasz*, does not find the episode so entertaining. "If György Dörner and his programme really do suit the right wing majority which runs the capital, then the gentlemen at City Hall should not be surprised if people who actually do appreciate quality in culture vote with their feet – and not just against certain theatre productions."

Preparations for a protest on October 21 have been initiated on the social networking website

Facebook.

### **Does Csurka think that Dosztojevszkij was a shitty writer?**

„It was my idea that the Hungarian drama shall have its own theatre where no foreign shit will be played.” – declared István Csurka, who believes the current management of Új Színház (*New Theatre*) is fishy. Currently, plays by Molière, Dostoiewsky, Osrowsky, Steinbeck or Coelho are on the roster of the theatre.

Új Színház will become the theatre of contemporary Hungarian drama, promises the future curator who believes that this was the backbone of the tender for directorship, which was won by György Dörner – István Csurka declared in an interview to Kossuth Rádió. Csurka said that it was his idea that Hungarian drama should have its own theatre. He also said that this was the reason for the outrage from those who like to play foreign shit. He stated that (*his theatre*) will be such that will chip in and will also discuss political issues. Because of this reason he intends to write a drama about privatisation in Hungary and also about the „reign” of Ferenc Gyurcsány, which he believes to be the biggest national tragedy. The institution will be led by three heads: György Dörner will be the director, István Csurka will be the curator and author Zsolt Pozsgai will be leading artistic director and dramaturgist. István Csurka also said that they would adopt his and Pozsgai’s writings to stage, which have actually not been played in any theatre for long.

He expects that the next autumn season will be their grand opening, the technicalities will be sorted out around the theatre by then. He stated that every single expense item needed to be investigated, because he feels that the theatre’s current management is fishy. He emphasized that they expected to continue working with the current cast of the theatre, they have been working with some of them anyway. The current director István Márta said that the news of György Dörner becoming the new director of the institution were completely unexpected and against the fact that the professional panel assessing bids submitted for becoming the director clearly supported the current director’s bid. Márta says that the decision is baffling since the actual tender notice was about the continuation of the journey the theatre started 13 years ago. István Márta meets the mayor on Thursday, an invitation he received two weeks ago. The director expects an explanation about the decision. He said that he wanted to ask mayor István Tarlós what his problem had been with Márta’s bid, with his person or the theatre.

### **Fidesz to allow MPs to continue using anti-speed-detection devices on cars**

Governing party Fidesz will allow its MPs to continue using “anti-laser” devices on their cars which block speed cameras, the governing party’s caucus told Index. The portal did a video report on cars equipped with the device parked in front of the Parliament building in which MPs interviewed said they saw no problem with using them, because they were not illegal.

In contrast, caucus leader of the party János Lázár found himself embroiled in a minor controversy earlier this year over the presence of a similar device on his official car.

*Source: Politics.hu; Erik D’Amato*

### **Mesterházy sidelined as key Socialists hold secret discussions over party’s future**

Leading politicians of the Hungarian Socialist Party (MSZP) held a secret discussion about the party’s future, the opportunities following a possible split-off of former PM Ferenc Gyurcsány’s platform and forming an alliance to support Chairman Attila Mesterházy, Népszabadság learned from undisclosed sources.

The meeting was organized by former Chairwoman Ildikó Lendvai, Deputy Chairman Péter Kiss and former Chairman István Hiller and attended by 30 people. Mesterházy was not invited but informed about the discussion.

“We are with you but only if you let us,” a source told the paper, summarizing the goal and conclusion of the meeting. Participants also agreed that a new MSZP was needed but not a new party.

*Source: All Hungary News*

### **Accountability commissioner Budai accuses Bajnai of embezzlement of assets**

Those 2003-2004 Hajdú-Bét cases of asset saving maneuvers raise the suspicion of a break-down crime. (Hajdú-Bét was a meat-packing company that belonged to Wallis holding, originally chaired by former prime minister Gordon Bajnai). According to Budai, Bajnai is also responsible for the bankruptcy of Hajdú-Bét. The accountability commissioner closed his investigation and passed the files to National Tax and Revenue Office.

The Bács-Kiskun County Prosecutor's Office ordered an investigation because of bankruptcy and misuse of power in December 2009. The Tax and Revenue Office's regional body was appointed for the inquiry.

Hajdú-Bét was one of the largest meat-packing companies in Hungary. Founded in 1992, it became a part of Wallis holding in 1999. Gordon Bajnai was the CEO of Wallis between 1999 and 2005. Hajdú-Bét ran into liquidity problems from 2003 when the crisis hit the poultry and waterfowl market. Hajdú-Bét defaulted on payments to some 600 families in the goose raising business.

The asset saving maneuvers launched by the owner (Wallis) aimed at acquiring Hajdú-Bét's real estates instead of disbursement towards to the family businesses. That is why they raise the suspicion of bankruptcy crime. The Budai report highlights the responsibility of Bajnai as he had an influence in Hajdú-Bét management. Formerly, Bajnai told Hajdú-Bét management held all the responsibility.

### **Budget deficit reaches 133% of modified full-year target by September**

Hungary's cash flow-based general government deficit, excluding local councils, reached HUF 1,570.6bn in January-September, or 132.6% of the modified full-year target, the National Economy Ministry said on Friday. In spite of the pro-rata overshoot, the ministry said it would still meet the modified target for the full year.

The ministry said that it was omitting the effect of the state's purchase of a 21.2% stake in Hungarian oil and gas company MOL for €1.88bn in a deal announced in May from annual comparisons because it is a one-off item.

Adjusted for the pro rata effect of HUF 528.8bn 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 have reached HUF 768.7bn at the end of September, the ministry said.

The ministry modified its projection for the full-year deficit to 97.6% of the target. It projects a HUF 414.9bn deficit in the fourth quarter.

The projection for Q4 does not include a takeover of debt from railway company MAV and Budapest public transportation company BKV, costs related to the buyout of public private partnerships and an estimated HUF 255bn in VAT refunds the state must pay under a ruling by the European Court.

In a breakdown of the general government, the ministry said the central budget ran a HUF 1,365.7bn deficit in January-September. The gap for the social insurance funds reached HUF 280.0bn, but separate state funds had a surplus of HUF 75.1bn.

In September alone, the general government had a HUF 25.9bn deficit. The central budget ran a surplus of HUF 18.6bn, but the social insurance funds had a HUF 32.6bn deficit and the gap for the separate state funds was HUF 11.9bn.

*Source: MTI*

### **Hungarian news from the EU**

#### *Delegation of Hungarian socialist in the EP supports Hungarian government*

Delegation of Hungarian socialist in the European Parliament (EP) supports the Hungarian government's action against cutting European cohesion and structural funds in the future according

to MEP Csaba Tabajdi, head of delegation. The delegation of Hungarian socialist is unable to accept the communication of the European Commission (EC) on the future of the Regional Policy after 2013. Tabajdi said that alone the cutback of the Cohesion Policy's budget contradicts the principle of solidarity of the European Union and this trend would set back the development of poorer countries and regions in the EU. The new Cohesion Policy would cause huge loss to Hungary and the Baltic states. The ceiling of subsidies would be defined by the EC at 2.5 percent of the gross national income (GNI). According to this system Hungary would lose about EUR 5 billion (HUF 1500 billion) of subsidies in the period between the period 2014 to 2020, MEP Tabajdi said.

#### *Delaying Schengen-accession undermines public's confidence*

After the crisis of the euro zone we have to get ready for the second crisis in the EU. This one will be the crisis of the Schengen zone. Two member states keep blocking the accession of Bulgaria and Romania to the Schengen zone and this fact is a danger either to the credibility and the legal security of the EU. All member states should be dealt equal, as MEP Kinga Göncz, deputy head of delegation of the Hungarian Socialists in the European Parliament said. She added that it is needless to generate distrust between European member states in the middle of the crisis. MEP Göncz also added that we should stand up for the accession to the Schengen of Bulgaria and Romania zone.

#### *MEP Csaba Tabajdi: Drifting of EU must be stopped!*

The credibility of the EU can be easily undermined by contradictory declarations of political leaders in the European Union, as MEP Csaba Tabajdi said. European institutions' inability for fast reaction weakens the credibility of European Union, too. The EU is unable to manage the present situation. If the next meeting of the Council of the European Union will not be able to find a solution to the problems, it would lead to serious consequences not just in the Union but in the whole world economy, too. MEP Tabajdi added that we have to push the start button of crisis management. He also added that citizens and market actors of the European Union should be calmed by determined action. The European Parliament held a debate on the next meeting of the Council of the European Union in the end of October 2011 on the crisis of the euro zone and the state of the European economy.

### **This is what they say – Hungary in the international press**

#### *Hedge Funds Are Betting Against Hungary*

French and Belgian bank stocks have crashed and the bond yields of Greece, Italy and Portugal may be peaking. Now hedge funds and bond vigilantes have begun to zero in on Hungary as the fashionable European country to bet against. One of the first countries to get bailed out by the [International Monetary Fund](#) in the early days of the financial crisis, Hungary has undergone a severe retrenchment since then with banks, consumers and the government cutting back drastically. Now, after a brief export-driven growth spurt, Hungary, like the rest of Europe, could well be headed for a second recession. As with Greece, Spain and Italy, the Hungarian government and its large banks have been reliant on foreign investors for their borrowing needs and, as a result, the country's foreign currency debt burden of 110 percent of gross domestic product is one of the highest in the world.

<http://dealbook.nytimes.com/2011/10/07/hedge-funds-next-target-hungary/>

#### *Hungary's new path is the hidden danger to Europe*

Viktor Orbán, Hungary's prime minister, triumphantly declared recently that the country was firmly on a different path to Greece. With a package of [fiscal reforms announced in March](#), Hungary's outlook has improved and the economic fate of the country remains squarely in its own hands, but a much more troubling shift is under way.

Under the guise of economic reform, Mr Orbán has veered from an ancient Greek path, one that underpins the entire European Union - that of democracy. The Fidesz government has leveraged its ability to warp the constitution, cementing institutional and democratic rollbacks into the rule of

law. (...) Mr Orbán's government has fashioned a fiscal council that now has three members, all of whom are Fidesz loyalists or will soon be appointed by the party. And while the council's operating budget has been slashed by more than 98 per cent, its political authority has ballooned. Worse, the council has the ability to dissolve parliament - a death stroke to any future opposition government.(...) At the EU's inception, member countries drafted the Copenhagen criteria - three non-negotiable tests that a nation must pass in its application for membership. To join the EU, a country needs a functioning, free market economy. It needs to adhere to the political and economic aims of the union. It also requires institutions that guarantee democracy and civil liberties. This is where Hungary increasingly falls short. Alarming, there is no institutional or legal recourse that the EU can fall back on to enforce the rules. Hungary is the first example of a member country that has not just dragged its feet on the path to democracy - it has back-pedalled.

<http://sn128w.snt128.mail.live.com/mail/InboxLight.aspx?n=867342647#fid=1&fav=1&n=1803888541&mid=b2c0c00e-f4ba-11e0-a940-002264c197dc&fv=1>

#### *Impact from Hungary set to be "visible" but under control*

UniCredit unit Bank Austria sees limited parallels with rival Erste Group Bank, which warned on profit this week after taking big writedowns in Hungary and Romania, its chief financial officer said. Erste, the region's second-biggest lender, said on Monday it could lose up to 800 million euros (\$1.1 billion) this year and skip its annual dividend after big writedowns in Hungary and Romania and taking hits on its sovereign debt holdings.

"The Hungarian situation which was the other big topic is something that we already disclosed quite recently what our exposure is, which -- by luck rather than anything else -- is a bit more moderate than others so we expect the impact to be visible but very much under control," Giordano said. Hungary is forcing banks to take losses on foreign-currency loans to consumers who can now repay at below-market rates. Erste faces a 500 million euro loss in Hungary this year and plans to inject up to 600 million euros into its unit there.

<http://www.reuters.com/article/2011/10/12/bankaustria-idUSL5E7LC1PF20111012>

#### *Hungary's Leader Warns of Lehman Moment in Europe*

A Lehman-style crisis will likely hit Europe in the autumn due to a toxic combination of economic shocks, Hungary's Prime Minister Viktor Orbán said Tuesday in a speech in which he warned of severe headwinds facing his country. "There is a serious danger that the 2008 October U.S. financial crisis will be repeated in the euro zone," Mr. Orbán said. "The euro zone is under serious pressure from two sides. On the one hand, it's under pressure due to an increasing public debt; on the other hand, there are serious attacks against the European banking system. "Financing across Europe is getting more and more expensive; it's now not only the Greek, the Irish, Portuguese and we [who] pay a lot, but also Italy and Belgium and France too." Mr. Orbán said Greece was unable to repay its debt, but other leaders weren't as "brutally outspoken" in admitting as much.

<http://blogs.wsj.com/emergingeuropa/2011/10/11/hungarys-leader-warns-of-lehman-moment-in-europe/?KEYWORDS=Hungary>

#### *Hungary: the cost of Viktor Orbán*

With the forint touching Ft300 to the euro on Wednesday for the second day running, Hungarians can see the price they must pay for the government's recent move to allow mortgage borrowers to offload some of their foreign exchange losses on to their banks. While the eurozone crisis is partly responsible for the HUF's travails, it's not the whole story. The forint is down 9 per cent in a month, compared to a 5 per cent drop in the Polish zloty and 2 per cent in the Czech crown. And it may have further to fall. To Prime Minister Viktor Orbán it must have seemed a clever move: let Hungarians pay off their foreign currency loans at a discount rate, and let the greedy banks take the hit.

<http://blogs.ft.com/beyond-brics/2011/10/05/hungary-the-cost-of-viktor-orban/#axzz1aYqTis6F>

## Comments

### **Dörner - Csurka – and the real tragedy**

Personally, I am an outright supporter of the idea to write a tragedy about the life of Ferenc Gyurcsány. This crazy idea already indicates who the right-wing in Hungary fears even today, encompassing all its various colors from orange to brown.

Budapest mayor István Tarlós – who currently enjoys the support of Fidesz – definitely crossed a barrier when he gave power over theatres to openly anti-Semites and fomenters, and it does not matter who might have pressed him to do so. What I am really talking about here is not that what kind of acts he attached his otherwise worn-out name to (despite the fact that he first became mayor of Óbuda [Budapest's 3<sup>rd</sup> district] as a candidate of SZDSZ, i.e. the Alliance of Free Democrats), but about that this kind of “*Kulturkampf*” in Hungary was last known only in the 1930s. Because that was the time when Hungarian Nazis (members of the so called Arrow-Cross Party) demanded various positions from Horthy time and again, who sometimes compensated himself for this bullying by putting Ferenc Szálasi (the leader of Hungarian Nazis) into jail – but eventually, the Regent passed all powers onto Szálasi. This should be a very strong warning not only to Mr. Orbán but also to the democratic opposition of Hungary.

The thing that happened to Budapest's Új Színház [literally: “New Theatre”] is a shame, even though István Márta has recently messed with Fidesz; but now, he will surely learn once and for all that “*Quod licet Iovi, non licet bovi*”: he is now left in ruins. During his term as director of the theatre, he kept at least the troupe as well as the finances in good order, while the audience liked his play. But just like the Attila József Theatre (which was also favored by the public, but it was too far away from the ruling class) did not matter at all; by now it has turned out that Új Színház (which was a little bit closer politically) can also be disposed of at any time. I would not be in the shoes of Károly Eperjes [a famous Hungarian actor]: either he stands up for the other troupe members, or he joins the new companion. If he chooses to leave, then it will be a significant loss for everyone, but his integrity remains intact; while if he chooses to stay, he too will become a servant of an untenable concept.

I would only like to point out to what conditions might prevail within the ranks of Fidesz if this kind of change could have happened in Budapest; because it's an absolute certainty that this truly outrageous event could never have occurred without their consent.

Anyway, if there's somebody in this country whose life is worth writing a tragedy on, then this person is István Csurka. Formerly the personal rapporteur to György Aczél [the “almost almighty” supervisor of Hungary's cultural life and a major ideologist before the democratic transition], who – despite this – has been awarded the József Attila Prize for his achievements in Hungarian literature twice; the person who played a major role in destroying MDF (the Hungarian Democratic Forum, the first freely elected governing party following the transition); and also the person who allegedly occupied the flat of István Angyal, who was executed not long after 1956. The author who attacks large shopping malls in his writings but spends his money in those same shopping centers; the person who was paid as much as 28 million forints for job assignments he never actually delivered. And the person who appointed his companion to be the chief financial officer (CFO) of MIÉP [Magyar Igazság és Élet Pártja; i.e. Party of Hungarian Justice and Life; a radical far-right political party], and the list could go on and on. I would not like to cite now not even a single line from his newspaper called “Magyar Fórum” (Hungarian Forum) because I do not want to blemish my blog – some radical readers will do it anyway.

Viktor Orbán will never be able to wipe out this disgrace that happened in this fall of 2011 to the cultural life of Budapest. Though it's also true that this does not matter to him anymore. He even dared to commit the crookedness of organizing a protest in support of him to exactly the same place where, originally, his opponents wanted to hold a demonstration. Perhaps, the people will stay at home because of fear?

But they will not!

[http://greczy.blog.hu/2011/10/08/dorner\\_csurka](http://greczy.blog.hu/2011/10/08/dorner_csurka)

## **Rascals**

I was interrogated by the Prosecutor General's Office. Under obviously fabricated charges. Fabricated, since they were looking for a case to be able to convict me. They fabricated a concept. They are staging a show trial to sentence me.

It is said that the Minister of Interior holds every week an internal meeting where the only topic is to review whom they could put on trial from the governments of the two parliamentary cycles before 2010. I do not know whether this is true. I would like to hope that the rumour is insidious. To believe that it is not true that they are on a manhunt. Because if it turns out to be true then all taking part in this are violating the law. And they will fare accordingly.

I am asked why at the Prosecutor General's Office I have not tried to prove my innocence. Should I argue with them? What sort of world is this? I do not have defend myself. The prosecution needs to prove that I am guilty.

I am not playing a complicated game. I have nothing to hide, and I do not accept the rules of the game set up by my adversaries. If I am guilty, they should prove it. Otherwise I am accusing them of having violated their oaths. What do they think? That I will defend myself? Never.

The Prosecution says that I was being "personal". I did nothing else than to tell them directly what I have said many times already over the last couple of months. That I considered the whole process disgraceful, and those taking part in it to be rascals. Wretched. Scummy. Did they really think that when we would face each other, I would retreat and accept their rules with a smile? That would have been real cowardice. In a show trial, why should I co-operate in any way with the prosecution? Why should I reply to them, as if I were to accept for a single moment the moral competency of the Prosecution to conduct this process?

Since 2006, Fidesz and their supporters are fabricating the political order to the Prosecution and the Court. I should be in jail for forging the state budget, for the Autumn of 2006, for Sukoro, for the increase of state debt, the plight of those with foreign currency mortgages, and who knows what else. They want me to defend myself. So I repeat it once more: never!

I served my country. With integrity and lawfully. And I will not defend myself for this. I will accuse those accusing me. That's what this trial is going to be about.

<https://www.facebook.com/#!/notes/gyurcs%C3%A1ny-ferenc/al%C3%A1val%C3%B3k/269771546388648>

## **Move!**

It may perhaps be unbelievable, but a movement that had been completely unknown a week ago – the Hungarian Solidarity Movement (HSM) – managed to gather thousands of Hungarians on Kossuth Square. The large number of supporters and sympathizers indicates that there are hundreds of thousands of people without a political home in Hungary. Moreover, they gather under a new flag and step up for hardly known politicians, who do not conceal for a single moment that their ideal is Solidarity, the former Polish trade union. Their flag is basically identical. The HSM managed to realize something that ordinary political parties, the opposition, trade unions and civil movements were unable to effectively confront the current government. So they decided to go 'revolutionary'. Their keyword is solidarity which has two different interpretations, just like the Polish version did. On the one hand it means the citizens' solidarity with each other, and on the other hand against the Fidesz policies. Unfortunately the Movement has nothing but its keyword; they want to assemble those who are fed up with how social dialogue is neglected and democracy is squelched. However, if they really want to step into the footsteps of the Solidarnosc (original Polish name of the 'Solidarity' movement) they will need some experts and advisors. Solidarnosc became strong because it was supported by the democratic opposition's and the catholic intellectual elite. It is true that there was no competition or parties or trade unions where these intellectuals could gravitate to. Hungary, however, is a parliamentary democracy and a market economy where this competition

exists. And to tell the truth, no one knows what to do with Hungarian Solidarity. They might know how to take advantage of the political vacuum they have already penetrated, don't they? Solidarnosc knew exactly. I assume the HSM does not.

*Endre Aczél, Vasárnapi Hírek, October 9, 2011.*