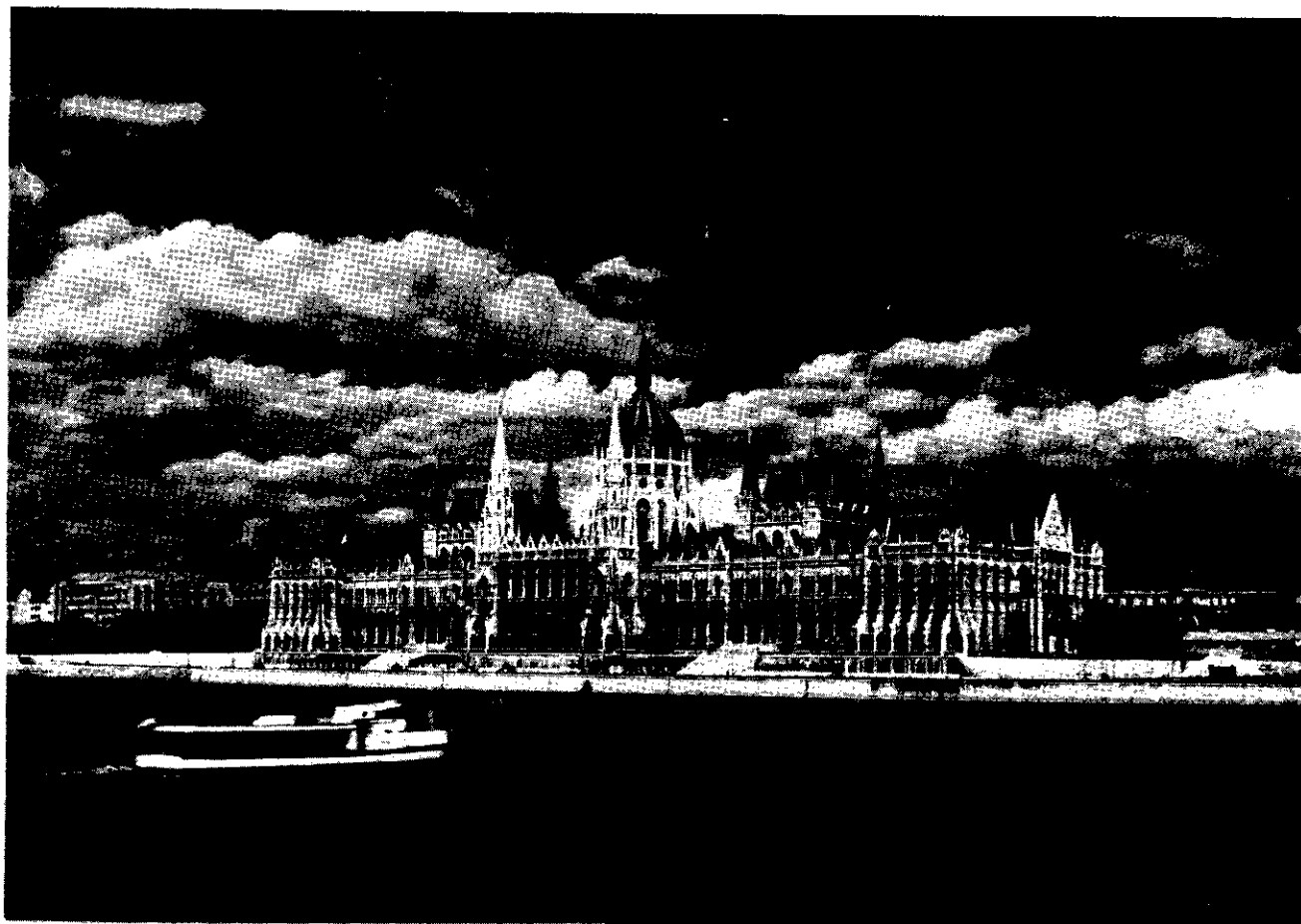




NEWS

from

1981/2

HUNGARY



PRESS SECTION,
EMBASSY OF THE HUNGARIAN PEOPLE'S REPUBLIC,
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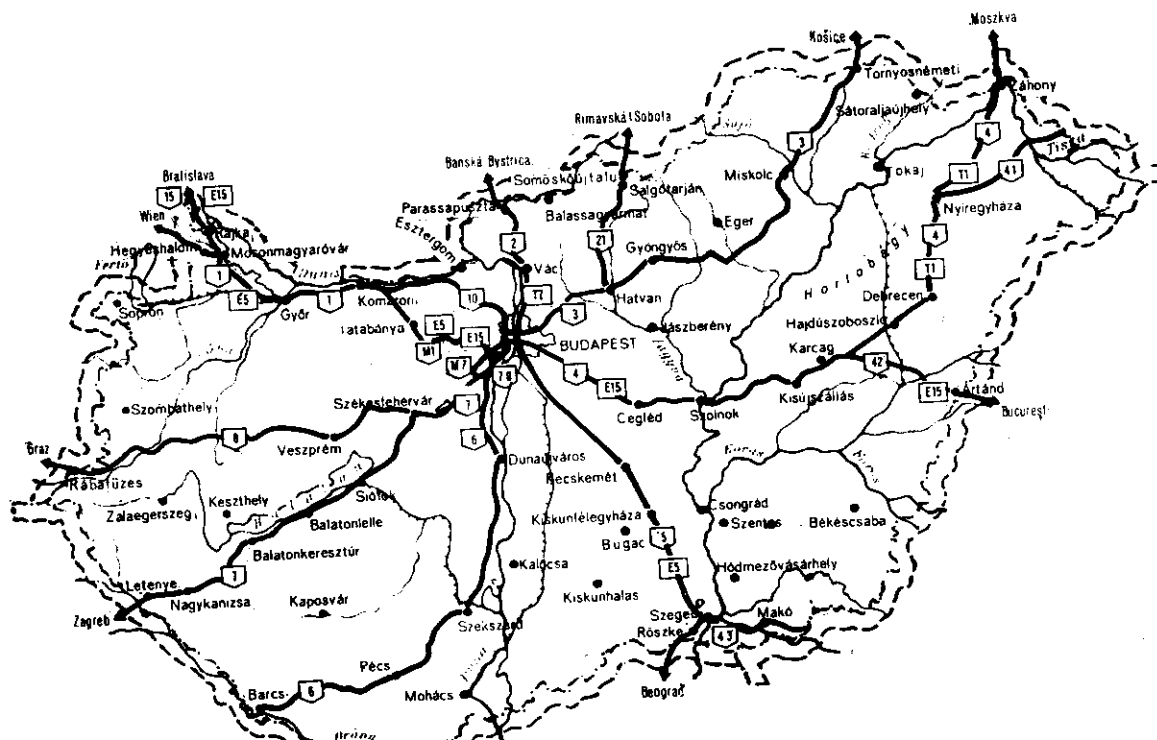
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Parliament in Session

Two main items were considered when the spring session of Parliament was held in April. The first was a bill amending the rules governing state administrative procedure; the second a report on the activities of the Hungarian National Bank over the last five years.

NEW MEASURE TO MODERNISE THE ADMINISTRATION

The modernisation and streamlining of the whole process of state administration is the main aim of this new bill, Minister of Justice *Dr Imre Markoja* told the Hungarian Parliament on April 16. He was presenting legislation to amend the 1957 Act on the general regulations governing state administrative procedure.

"The most important issue in the development of state life and the work of the administration is the deepening of socialist democracy," he stressed. Important progress had been made in this field in the 1960s and 70s. Results had included a more democratic electoral system and increasing opportunities for citizens to take a more direct part in the conducts of public affairs.

In future attention must be focussed on expanding democracy as well as enriching the existing democratic forms. This attention should be directed at a number of objectives: at ensuring that existing democratic institutions operate to high standards, and free from formalistic and bureaucratic characteristics; at encouraging ever broader strata of the population to take an active and conscious part in public activities; at seeing that an open, sincere and democratic atmosphere should prevail in every field of public life; and at encouraging everyone to see democracy as a combination of exercising rights and fulfilling obligations.

Central and local government

"The work of the government as a body can and must be developed," the Minister of Justice went on. "Efforts must be made to see that the division of labour, and the responsibilities involved between the government and the governmental committees which it establishes, become less ambiguous.

"As far as local, regional administration is concerned, forms of organisation which intensify the self-governing character of the local councils must be created, along with the realisation of longer-range targets and possible ways in which their economic independence can be enhanced."

As recommended by the 12th Congress of the Hungarian Socialist Workers' Party (held in March 1980, Ed.), the government had decided to re-examine the processes of decision-making and responsibility, with special regard to the field of economic guidance. Initial results of this investigation indicated that the "system of decision-making is still complicated and bureaucratic in many respects, and the spheres of discretionary powers are over centralised."

Service in the interests of society

In order to meet the demands of the population at an increasingly high standard, there will be need in the future to strengthen both the organisational and service character of administrative work. One of the tasks ahead is the development of coordination between different authorities so that all local resources can be utilised to the maximum effect and as a result, the social, cultural and other requirements of the population can be satisfied at a higher standard.

On the other hand, the office work carried out by various authorities has not yet become a service which pays attention first and foremost to the interests of

society and its members, in particular by transacting matters quickly and at lower cost.

The government attributes great significance to the development and modernisation of state life. An example of this was their acceptance last year of a medium range plan for scientific research into the development of public administration - and the relevant government programme for this is at present under elaboration. Another example is the present bill.

Fundamental principles of administrative procedure

"This new bill," Dr Markoja said in his summing up, "defines the fundamental principles of administrative procedure. And their enforcement is a decisive requirement in public administration." They include:

the institutional practice of socialist democracy, legality and humanism;

due respect for, and protection of the rights of citizens and their legitimate interests;

the observance of the fulfilment of obligations and civic discipline on the part of citizens;

safeguarding harmony between the interests of society as a whole, groups, and individuals;

drawing citizens into the conduct of public affairs to a greater extent and in general increasing cooperation between competent authorities and their clients; and

speedy, simple and high standard work on the part of the competent authorities.

The Bill also includes a new regulation on the revision of administrative decisions in the courts. International experience, including that in the socialist countries, indicates that increasing the possibilities of judicial revision is a general tendency as it is an effective and tested means of assuring legality.

Ten members of Parliament took part in discussion of the bill, which was then passed, together with three amendments proposed during the debate.

HUNGARIAN NATIONAL BANK - REPORT ON ACTIVITIES

The Hungarian National Bank has been working to promote country's balance-orientated economic policy and to safeguard the value of the forint, Bank chairman *Mátyás Timár* State Secretary, told Parliament when he reported on activities over the past five years. The Bank has sought to improve the state of balance of the economy during both the preparation and implementation of the Fifth Five Year Plan (1976-80).

In keeping with government economic objectives, he said, the Bank had striven to restrain the growth of investments and stocks. And it had backed initiatives aimed at restoring the economic balance not just in foreign trade, but on the domestic market as well. Practices which promote this restoration of balance, together with the consolidation of what had been achieved and increases in profitability, will remain the focal point of activities in the current Sixth Five Year Plan (1981-85).

Credit policy aims at encouraging exports

The credit policy of the Bank is to give credits which help developments directed at increasing the country's export capacity. In the past five years

loans amounting to 120,000 million forints* were granted to supplement investments totalling 511,000 million forints which companies and cooperatives made from their own funds.

"The adverse changes on the world market and more expensive imports have put the emphasis on projects which allow for the production of commodities which can be sold at a good profit margin both on the socialist and capitalist markets. This also helps to make our production structure more favourable." Mr Timár said.

"With special permission from the government, we have granted credits of 54,000 million forints over and above what was planned. The investment projects realised with the help of these credits are worth some 100,000 million forints and they have resulted in exports worth 3,200 million dollars in the five years under review. Last year, when several major projects were completed, the overall export growth was 1,200 million dollars, and the net hard currency revenue was 800 million dollars. These results have made a substantial contribution to the realisation of the economic policies adopted in 1978 (aimed in particular at improving the foreign trade balance, Ed.)

"We intend to continue our time-tested investment policy. Projects which hold out the promise of improving the foreign trade balance and expanding domestic export capacities will continue to enjoy priority. But we will also attach greater importance to projects designed to promote steady and economic imports, especially those which are concerned with modernising energy consumption.

Cutting down accumulation of stocks

"The Hungarian National Bank has an important task in ensuring the smooth running of production and trading by giving credits to help in acquiring working assets. In the past eight years, on the average, Hungary has used 3.7% of her gross domestic product for the accumulation of stocks. The ratio is much lower in other countries undergoing a similar degree of development.

"The high proportion of accumulation is to be attributed to inadequate production and trading organisation, the shortcomings of commercial supply, weaknesses in inter-company cooperation and faults in crediting. The Bank will seek to increase the speed of the turnover of stocks and to discourage unjustified accumulation, through the means available to it."

In recent years some companies have had difficulties in paying their way, he went on. No doubt it has been hard for many of them to cope with the keen competition for new markets. Changes in their pricing system have also revealed examples of unprofitable production. In the main it is the task of the company or cooperative concerned to make up for the loss. Production units themselves have to see to streamlining their product pattern and to take the necessary measures to make their venture profitable.

The financial authorities will back up these kinds of efforts from the enterprises. But if a company fails to tackle the difficulties, unprofitable lines may have to be stopped, either by merging the company with another or by closing it down altogether.

International links

Mátyás Timár then turned to the international links of the Hungarian National Bank. Cooperation with the socialist countries plays a crucial part in this. The Comecon countries have two joint banks - the Bank of International Economic Cooperation and the Bank of International Investments. The Hungarian National Bank takes

part in the activities and direction of both these banks.

Links with banks in the capitalist countries are also maintained. The Hungarian National Bank has drawn and will continue to draw credits in order to promote projects concerned with the country's economic development. They are destined to serve development and investment. Care is also taken to ensure that the necessary financial facilities become available for payment in good time. It follows from the economic policy of restoring balance that the aim is to scale down the growth rate of Hungary's debts; in fact in the coming years it should become possible to reduce the size of these debts.

Increasing exports also involves an extension of Hungary's own credit facilities to other countries; such loans are in the main attached to the export of machinery, under the usual terms of international credit.

In transactions on the international money market, the Hungarian National Bank relies on its own banking institutions in Vienna and London, and the offices of its own representatives in four other countries. As well as this, the Bank holds shares in the International Payments Bank, seated in Basel.

The Central European International Bank was also founded recently by the Hungarian National Bank, in cooperation with six foreign banks, to carry out activities connected with foreign trade and cooperation transactions. Located in Budapest, this bank has so far proved effective.

Hungary's credit standing high

"Hungary is regarded as a highly credit-worthy country on the international monetary market, "Mr Timár said, "a reputation earned by political stability and a balance-seeking economic policy. Another point in favour of our credit standing has been the recent rapid improvement in our trade and payments balance. The focal point of our rate of exchange policy remains the preservation of the relative stability in the value of the forint, and the cushioning of external inflationary tendencies."

He ended by stating: "The 1980 balance sheet of the Bank showed that the assets and claims of the Bank, gold, foreign currency assets and bonds included, totalled 582,000 million forints. The 1980 gains were 10,000 million forints, most of which went to the state budget."

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Political News

YOUNG COMMUNISTS HOLD 10TH CONGRESS

"Together with our youth for advanced socialism in Hungary - that is the motto of our Congress," György Fejti, first secretary of the Central Committee of KISZ, Hungary's Young Communist League, told delegates when they met in congress on May 29. "We believe that we can surely build on our achievements, even in the more difficult conditions of today. We therefore call on all young people and mobilise our members to meet the challenge posed by building an advanced socialist society."

The stable political atmosphere in Hungary provides a firm basis for this. "To us a secure life is natural, and young and old alike can look to the future with confidence. Looking back over the past five years, many matters of consequence can be called to mind, but the most important is that we live in peace and security, even though there has been recent activity on the part of the forces who want to bring back the distrustful, tense climate of the cold war in international relations."

Need for a stronger youth movement

We do not want to paint an idealist picture of young people in Hungary. While the overwhelming majority of them study and work with a high sense of responsibility, there are quite a few who are workshy, cynical and indifferent to the society around them. "The fundamental reasons for this must be sought in a lack of sufficient understanding of the contradictions in our society, in the weaknesses in our work, and in our mistakes.

"In future we must work to make our youth organisation stronger, more efficient and more attractive. It should be an organisation which mobilises young people for action and shares in solving the tasks which face our society. It must be a movement which is sensitive and open to the desires and ambitions of the young, which offers them an intelligent and attractive programme, which relies on local initiative, and which represents and defends the interests of young people."

Nearly 40% of all those employed are young people and their zeal for action is a great force. Nearly 670,000 of them belong to the socialist work brigades, most of whom work in an exemplary manner. Each year between 100,000 and 150,000 have taken part in the projects which KISZ has sponsored nationally, doing voluntary work worth hundreds of millions of forints. In five years 300,000 students have volunteered for summer work camps and have produced more than 1,000 million forints in value.

Living and working conditions

Living standards and conditions for all Hungarians, including the young, have gone up over the past five years. More than 200,000 young families have moved into new homes; the network of child care institutions has been expanded so that more young children are able to go to creches and nursery schools. Young people will also plainly benefit from the continuing housing programme, improved health services, modernising the education system, increased family allowances, and the introduction of the five day working week.

"The housing situation remains our biggest social problem," *György Fejti* declared. "Understandably our organisation is also paying a great deal of attention to this problem. To this end, we want to take part in drawing up the plans for home construction, and in improving the way in which flats are managed and distributed."

He went on to say that it was particularly important for KISZ to represent and protect the interests of students, pointing out that it had been decided to raise the scholarship fund by 150 million forints, on the initiative of KISZ. University and college students were to receive grant increases averaging 30% from February 1982.

Stressing the importance of ideological and political education, he said "the world in which we live often proves trying even for those who are experienced and have a settled outlook on the world". Young people should be taught to "honour the achievements of our people and to identify themselves with the aims of our society" and KISZ should encourage this.

Surveying the work of KISZ as a training ground for future communists, he said that in 1980, 58 out of every 100 new members of the Hungarian Socialist Workers' Party had been members of KISZ and over 90% of these were recommended by local membership meetings. KISZ membership now stood at over 800,000 and had gone up by 50,000 since the last congress. This meant that one young Hungarian in every three was a member.

(There were 898 delegates at the Congress, together with nearly 300 invited guests and fraternal delegates from more than 40 international and foreign youth organizations.)

János Kádár addresses the Congress

After the main report was made, the Congress was addressed by János Kádár, First Secretary of the HSWP who, together with Prime Minister György Lázár, was among those on the Presidium. He began by analysing the international situation.

The capitalists are trying to solve the insuperable problems of their social order by stepping up the arms race, he said. But there can be no perspective for mankind other than that of peace and social progress. Leading imperialist circles keep away from talks and stubbornly cling to their plans to plant US missiles in Western Europe. Recently the US President said that he intended to talk with the Soviet Union, but only from a position of strength. This intention is due to a misunderstanding of the actual conditions in the world. One cannot talk to the Soviet Union and the other socialist countries from a position of strength.

"We declare that the prime and most important of all the big international issues is the positive task of curbing the arms race and boosting mutually advantageous relations. The principle instrument of international politics must be negotiation on every point at issue, and agreement which meets the interests of all the parties concerned."

The socialist countries hold the view that balanced security for all states should be created at a lower level of armaments. This idea is reflected in the recent far-reaching proposals put forward by Leonid Brezhnev and by the Soviet stand on the most important world issue, the prevention of war. Now it is the turn of the United States and NATO to give a genuine answer to the proposals put forward by the socialist countries.

On Hungary's part, government and public opinion warmly welcome and support the Soviet proposals.

Political and economic situation in Hungary stable

Turning to domestic affairs, Mr Kádár said that the political and economic fundamentals of Hungarian society were sound. Even so in past few years, more critically minded views had emerged in some fields.

"In this context we have brought forward the actual problems without disguise or evasion. And if something turns out to need improvement, we must act accordingly. We welcome every critical remark and debate which promotes our cause. But alongside such constructive disputes and criticisms, we also come across pessimistic views, so it does not come amiss to speak of our tremendous historic achievements as well.

"In the 36 years since liberation, we have combatted a historic backwardness. Our people have come close to the vanguard and are founding a safe future under the socialist social system. We do not claim that what we now have is perfect, that we have no errors and weaknesses. When we say that our domestic situation is stable, this also implies that we have made good progress in taking a realistic view of our position....

"The living standards of our youth are inseparable from that of the population as a whole. They are guaranteed employment. There are seven times as many secondary school students and nearly ten times as many university students as there were before the war.

"The moral and political climate among our young people is healthy. The vast majority of them are studying and working. And although the general situation as far as the finances, morals and political state of the young are concerned could be even better, may it never be worse.

"Before this Congress there were sharp and animated debates in a number of places. Erroneous views must be argued out, including even views which are alien to us or, occasionally, even hostile. Young people in particular need help in recognising hostile, anti-communist and anti-socialist opinions. We must learn to stand up to these firmly and argue, reason and convince."

Congress resolutions accepted

Under the agenda adopted by the delegates, on the second day the Congress split into groups with KISZ members working in industry, agriculture, the professions, and the armed forces, and student delegates from schools and colleges discussing their views in the light of congress documents.

After First Secretary *György Fejti* replied to the discussion on the final day, the report was accepted by the overwhelming majority of delegates, with two voting against. A new 105-member Central Committee was then elected in closed session, which in turn then met to elect a 17-member steering committee and an 11-member secretariat. *György Fejti* was re-elected First Secretary of the Central Committee.

KISZ CONGRESS RESOLUTION - THE MAIN POINTS

A major task faced by KISZ is consistently to represent and defend the interests of young people; to take a stand on improving their living and working conditions; to add to the ideological and political weight of the youth organisation; and to renew its working style and offer young people an attractive programme.

A priority task is to expand relations with progressive forces in the international youth movement and to take an active part in the world wide struggle to preserve peace.

In the field of economics, the acceleration of technical advance and a widespread introduction of reasonable thrift should be spotlighted in the years to come. KISZ supports secondary jobs for young people who aim to start a family and acquire a home of their own, provided they do productive or servicing jobs which supplement the work of the nationally owned companies and cooperatives. But it does not support income from sources other than work, or from illicit earnings.

In the educational field, KISZ encourages members to work to the best of their abilities, upholds the development of democracy in schools and the open characteristics of educational establishments. The need for KISZ bodies in universities and colleges to be allowed to take a serious part in updating education and to comment on questions of organisation, content and methods of teaching is stressed.

Special importance is attached to support for young people in obtaining their own homes; in exercising supervision over the system of grants in the higher educational field; and to the extension of a number of social allowances, such as the child care allowance (payable to a working mother who wants to stay at home during the early years of her child's life, Ed.) to university and college students.



Bristol firm Blandford Systems Ltd. was one of the 1,886 foreign companies to exhibit at the international spring fair in Budapest. On show is their system for analysing milk composition.

News of trade and industry

TWENTY-SIX COUNTRIES AT BUDAPEST SPRING FAIR

All exhibitors and foreign businessmen who are interested in detente and economic cooperation are welcome at the Budapest Spring Fair, Foreign Trade Minister *Péter Veress* said when he opened this year's exhibition of capital goods on May 20. He added that his government was pleased to see that "the contradictory, disturbing changes in world politics and the world economy have not deterred western firms from attending... Discriminatory practices and enforced obstacles to economic relations are of benefit to no one."

"In the past international fairs have provided a stimulus to the Hungarian economy," he went on. "We trust that this will be the case in this instance as well. We must know how to adapt the experiences and technological achievements of others and couple them with improved work if we are to rejuvenate the Hungarian economy as planned."

Twenty-six countries and West Berlin were represented at the spring fair, which was open from May 20-28. Taking part were 1,886 foreign and 826 Hungarian firms. From among Hungary's western partners, there was

strong representation from the Federal Republic of Germany (340 firms took part), Austria (182 firms) and Switzerland (107 firms).

Great Britain was one of the countries taking part to open a special information office. The firms exhibiting included Rank Xerox, which brought along two giant demonstration vans to show their latest copiers, as well as having a stand. Eleven American companies were represented, including Bell and Howell, who showed microfilm cameras, readers and copiers, and Dime's Group Inc. who exhibited spectrophotometers and meteorological instruments.

More than 2,000 items were on show from the Soviet Union, the vast majority of them - 80% - goods which had not been exhibited in Budapest before. Exhibits included machining units, packaging devices and an industrial robot. There was emphasis on the cooperation between Comecon countries; many of the machines on show were the products of cooperation ventures.

The open air display of Soviet vehicles emphasised the cooperation between Hungary and the Soviet Union in this field. During the past five years, the Soviet Union has supplied 30,000 trucks and 200,000 cars to Hungary. In exchange Hungary has delivered 32,000 buses and over 150,000 rear axles for buses and trolley buses to the USSR.

Hungarian exhibits

The vehicle show was one of the most spectacular section of the fair. More than 20 Hungarian companies were represented, including Ganz-Mavag who have just sold a number of electric trains to New Zealand, and the Ikarus bus company. Their exhibits included the Ikarus 250, a conference bus, and the Ikarus 286, an articulated bus which is being exported to the United States. Vehicle manufacture is an important growth industry in Hungary, accounting for 30% of the country's total industrial output.

Hungarian manufactured computer systems were on show from Videoton, who exhibited their first computer at the Budapest Fair just ten years ago. Since then this firm, who earlier made a reputation with radio and television sets, has installed over 1,000 computer systems in Hungary and abroad. While their exports are first and foremost intended to meet Comecon needs in this field, the company has also exported 10 million dollars worth of computers to non-socialist countries.

A new product on show from the BEAG Electroacoustical factory in Budapest was a language laboratory which can be packed away in two suitcases. Intended for use in both schools and factories, the laboratory is easy to set up and operate, as well as being portable. It can service six to twelve students.

Fifty-six products from Hungarian factories and industrial cooperatives were awarded "Fair Prizes" for their high standards. They ranged from a conveyor belt system produced by the Salgótarján Metallurgical Works, which won a Grand Prix, to a new type of low consumption light tube from the Budapest Tungstam factory.

The fair was organised in eight sections, each devoted to a different group of products. Apart from the display of vehicles already mentioned, there were sections for precision engineering, telecommunications, power engineering, metallurgy, the construction industry, packing and material handling, and the mining and chemical industries. About 300,000 people visited the fair during the eight days it was open.

INTERFERON PRODUCTION TO START IN BUDAPEST

Trial production of raw interferon is to start in Budapest this summer, in a special laboratory set up by EGYT - The United Pharmaceutical and Nutriment Plant. Output on a bigger scale is expected to follow before the end of the year.

The Budapest plant has also set up a research, development and production company devoted to interferon, in conjunction with the Microbiology Institute of Szeged Medical University (southern Hungary) and the Budapest-based National Haematological and Blood Transfusion Institute.

So far only small quantities of interferon have been produced for experimental purposes, at the Szeged Institute and by the Microbiological Research Team of the Hungarian Academy of Sciences. The new laboratory is expected to boost output to the point where several million units of raw interferon will be ready for export before the end of the year. The profits from sales will be used to cover the cost of further research.

The human blood which is the raw material for interferon will be supplied by the National Blood Bank. There are more than half a million regular blood donors in Hungary and so far the white corpuscles extracted from the donated blood - which yield interferon - have not been used for any type of therapy.

A Hungarian process, patented in 1980, is to be used to extract the interferon. Meanwhile research is continuing into refining the raw product. It is hoped to produce interferon of a high enough purity to test it out in some of the country's health institutions by next year.

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Miscellaneous News

HUNGARIAN RED CROSS CELEBRATES CENTENARY

Hundreds of delegates from more than 20 European countries attended celebrations to mark the centenary of the Hungarian Red Cross on May 4. The event coincided with the 3rd European Regional Conference of the International Red Cross and Red Crescent Organisations also held in Hungary.

Foreign representatives included Mr Alexander Hay, president of the International Committee of the Red Cross, Justice J.A. Adefarasin, president of the League of the Red Cross Societies, and Sir Evelyn Shuckburgh, chairman of the Standing Commission of the International Red Cross.

Addressing the four-day regional conference (May 4-7), Hungarian Deputy Premier *György Aczél* said that since World War II, there have been no more than 26 days without an armed conflict being fought somewhere around the globe.

"Men and woman around the whole world today are more aware of what is happening than before " he went on. "They have very clear ideas of our time and are conscious of the need to preserve peace. For us the idea of peaceful co-existence and the policy of detente are not propaganda - they are the dictate of history, a requirement of the realities of today. One third of the world's population is leading a precarious existence below the poverty line; starvation afflicts about 500 million humans - one in eight of the humans inhabiting this planet.

"We are living in comparative peace, yet, daily fatalities from epidemics, national calamities or social tragedies have run into tens of thousands during the past thirty years. We must not forget that we are still incapable of averting floods, earthquakes, and famines. This is particularly distressing in view

of the fact that the world today spends over one million dollars per minute for military purposes. At the same time the FAO has been unable to raise more than half of the 11,000 million relief needed to aid the agriculture of famine-hit countries."

Turning to Red Cross activities he said: "About 200 million men and women are today serving mankind in the 127 national societies of the International Red Cross and Red Crescent movements."

During the conference the situation of the European Red Cross movement was reviewed after 11 years, and the possibilities of deepening continental cooperation investigated. The resolution adopted at the Budapest conference will be submitted to the General Assembly of the League of Red Cross Societies, scheduled to meet in Manila in November this year.

A short history of the Hungarian Red Cross

The Austrian Red Cross was founded in 1867 under the Austro-Hungarian Monarchy. Vienna expected the establishment of a centre in the Austrian capital which would then set up a Hungarian subsidiary. The Hungarian Government, however, insisted on having an autonomous relief organisation, independent of Austria. The Hungarian Red Cross held its inaugural assembly under the name "Red Cross League of the States of the Hungarian Holy Crown" on May 16, 1881, at the Academy of Sciences in Budapest. By 1882 organised training was already available for Red Cross sisters, and by 1884 the Red Cross had its own hospital in Budapest.

After World War II. the earlier Red Cross organisation collapsed and its activities were temporarily taken over by the National Relief movement. The Red Cross was gradually reorganised, however, and was soon able to take part in the work of reconstruction. Finally the National Relief merged with the Hungarian Red Cross.

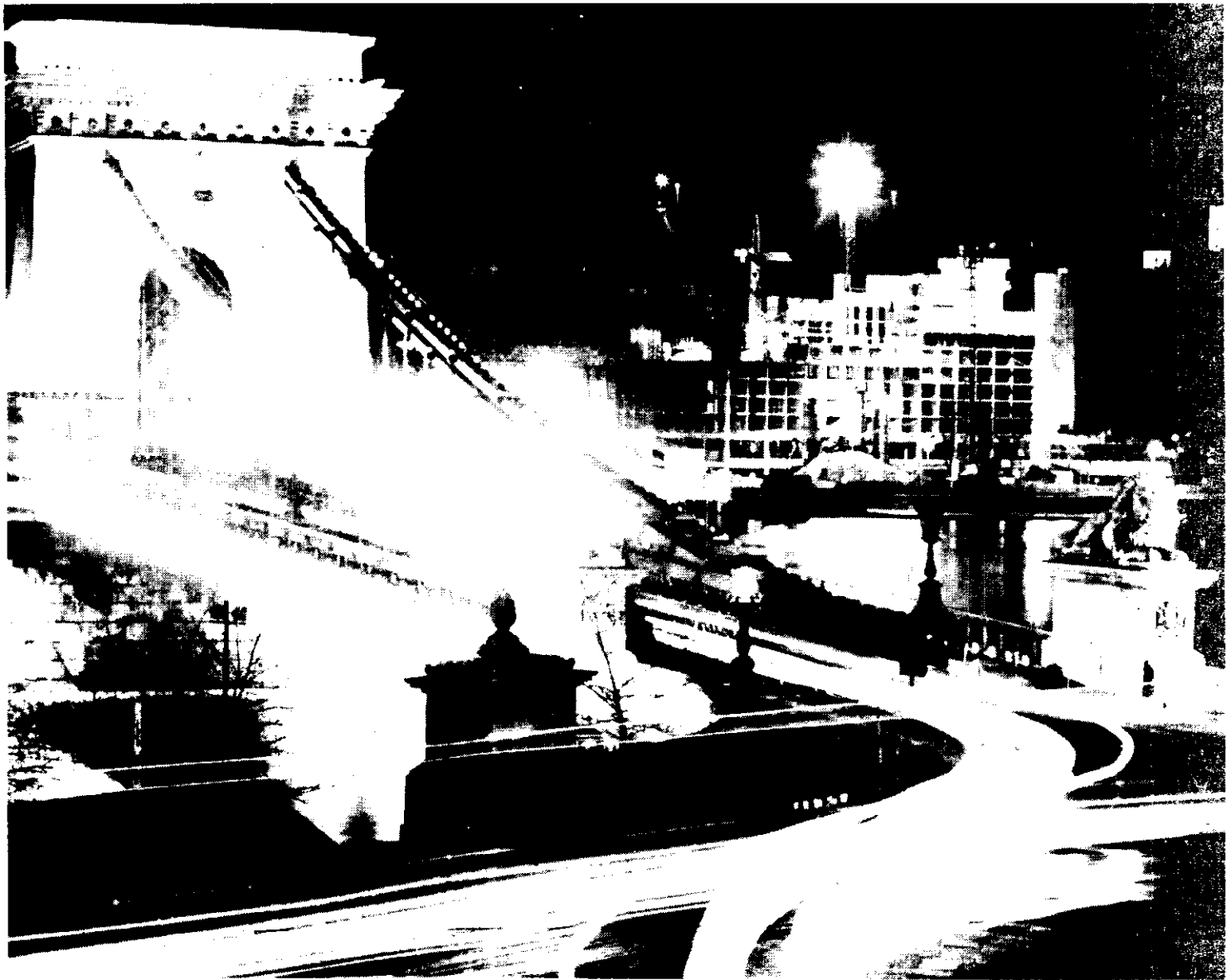
At present the Red Cross has 1,121,000 members in Hungary, with more than 300,000 activists working in 13,000 local organisations. The movement deals with the health protection of workers, the improvement of living and working conditions, the protection of families, young people and women, the fight against alcoholism and the drive for blood donors. In the past thirty years donating blood has become widespread in Hungary. Today there are more than 500,000 regular voluntary blood donors.

The Hungarian Red Cross takes part in the relief programme of the international movement. Between 1957 and 1980 it sent consignments worth 160 million forints to 69 countries responding to 287 calls for aid to the victims of natural catastrophes and armed conflicts.

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INCREASE IN PENSIONS: The minimum annual increase in pensions has been raised to 100 forints a month, from June 1, 1981, instead of the earlier 70 forints. This is over and above the annual 2 per cent increase which has been in operation since 1971. Monthly supplements paid for the wife or husband of a pensioner has also gone up by 100 forints.

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NEW HOTEL IN BUDAPEST: Two big new Danube-side hotels are due to open in the heart of Budapest in the next twelve months. The night time view above shows the Atrium, seen from across the river with the famous Chain Bridge in the foreground. The concrete structure reached roof-top level early in June and the building is due for completion in the first half of 1982.

The ATRIUM, which will be run jointly by the Pannonia Hotel and Catering Company and Malev Airlines, will have 356 rooms, each with bath, two restaurants, a coffee bar, cocktail bar and brasserie. It will be the first hotel in Budapest to be built around an "atrium". The inner courtyard will be lined with shops and espresso bars.

The FORUM, under construction alongside, is due to open before the end of this year and will be run by HungarHotels. There will be 408 rooms, each with bathroom, air-conditioning and colour TV, a restaurant serving Hungarian and international dishes and a Viennese coffeehouse. Facilities will include a leisure centre, complete with swimming pool, solarium, sauna and massage, and conference rooms equipped with audiovisual services.

Both hotels are being built by Austrian contractors with the help of a 15-year Austrian loan worth 300 million dollars.

RESTORATION OF ESZTERGOM CATHEDRAL NEARS COMPLETION

Restoration work on the exterior of Esztergom Cathedral, which has been financed by the government, is due to be completed by the end of this year. The centre of Roman Catholicism in Hungary, the cathedral overlooks the Danube from an imposing hill-top position.

Built in the 19th century in Hungarian neo-classical style - the foundation stone was laid in 1822 and it took over 40 years to complete - Esztergom is one of the biggest cathedrals in Europe. It is over 350 feet long and 300 ft. high. It was badly damaged in World War II and has also suffered from exposure.

The extensive work of restoration was started in 1969. The government has financed the external work which will cost a total of 70 million forints, under an agreement with the Catholic Church. Restoration of the interior is being financed from Church funds.

Among the craftsmen engaged to carry out the work are some of the best stone masons and carvers in the country. Heavy stone slabs have been used to replace the outer covering of the walls. The main facade with its eight Corinthian columns has been given a face lift; many of the supports have been replaced and reliefs have been repaired.

The cathedral is surmounted by a huge cupola, supported by 27 columns. This in turn is crowned by a 21-foot high cross, erected in 1845, and the gold plating on both cross and cupola has been replaced.

The Bakócz Chapel

The most valuable part of the vast cathedral building is the Bakócz Chapel. Much earlier in date than the main edifice, it is the only Renaissance building in Hungary which has survived without major damage.

The chapel takes its name from an early Archbishop of Esztergom, Tamás Bakócz and was built for him between 1506 and 1511. It was designed and constructed by an unknown Italian master, with the help of local masons and was built entirely of red marble, quarried at the nearby village of Süttő. The altar was carved from Carrara marble in 1519 by the Italian master Andrea Ferucci.

Originally it was the side chapel of an earlier cathedral and stood about 300 feet from the site of the present building. When the 19th century cathedral was built, the chapel was dismembered, its 1,600 stones numbered and then re-assembled inside the new building. The man responsible for this particular piece of conservation, thought to be the first of its kind in Europe, was János Packh, one of the designer of the new cathedral.

The Cathedral Treasury

There are a number of valuable works of art in Esztergom Cathedral, in particular in the Cathedral treasury. This collection includes the calvary of Hungary's famous medieval King, Mátyás Corvinus, which is made of pure gold; the upper part is thought to be the work of a Paris goldsmith, dating from about 1410. There is a Limoges votive cross, dating from around 1250, and a coronation cross which was used from the 13th century on when the kings of Hungary took the royal oath.

The vestments include a robe made for Archbishop Bakócz by a Spanish craftsman, around 1480. Among the chalices is one of Suky glass and another gold-plated gothic piece, dating from the 1440s, made from silver by a Transylvanian gold and silver smith.

The town of Esztergom, once capital of Hungary, has been the site of cathedral since the 11th century. The present building was consecrated in 1856, when the Esztergom Mass, composed specially for the occasion by Ferenc Liszt, was first performed.

AWARDS FOR HUNGARIAN FILMS -

The first ever Oscar to be awarded to a Hungarian film by the US Academy of Motion Picture Art has been won in the Animated Film Category by *Ferenc Rófusz* for his short "The Fly". Rófusz, who was born in 1946, is one of the directors attached to the Budapest Pannonia Film Studio.

"The Fly" is his third individual production. He presents the world as it might be seen by a fly, as though the film camera were placed on its head. Every picture had to be drawn individually - 2,000 in all. "The Fly" had already won two international awards in Ottawa in 1980, before the 1981 Oscar award.

Two prizes were won by Hungarian films at the 1981 Cannes Film Festival. *István Szabó's* feature "Mephisto", based on a novel by the German writer *Klaus Mann*, (Thomas Mann's son), won the award for the best screenplay, and the international critics' grand prize. It has already won acclaim from British critics, and was described by *Alexander Walker* in the New Standard as a "major work of European cinema".

Béla Vajda's short, animated film "Moto Perpetuo" won the Golden Palm award.

- AND SINGERS

The 71-member mixed voice choir from Nyíregyháza in north east Hungary won the prizes at the Cork International Choir and Folk Dance Festival in May. The women singers won the first prize in the women's choirs category while the full choir took second prize in the mixed and chamber choirs category. Their programme featured works by Bartók, Kodály and the contemporary Hungarian composer Sándor Szokolay.

Relations with Britain

TALKS IN LONDON

Hungary's First Deputy Foreign Minister *János Nagy*, who holds the rank of State Secretary, visited London from May 20-24. He had talks with British Minister of State for Foreign and Commonwealth Affairs *Peter Blaker* and Permanent Under Secretary *Michael Palliser* on ways to promote British-Hungarian relations and on international questions. He also discussed issues related to bilateral economic cooperation with the Minister for Trade *Cecil Parkinson*.

While he was in London, *János Nagy* was received by Lord Carrington, the Foreign Secretary.

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Also visiting London in May was Minister of Transport and Communication *Árpád Pullai*. Information on the transport policies of the two countries was exchanged during talks with the British Secretary of State for Transport *Norman Fowler* and the Minister for Trade *Cecil Parkinson*. Air, sea and road traffic between the two countries was discussed with a view to future developments. Both sides agreed that there was scope for boosting technical and scientific cooperation.

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Gyula Szekér, Chairman of Hungary's National Technical Development Council, visited London from April 27-30 for talks with *Maurice Hodgson*, Chairman of the British chemical concern ICI. They reviewed the results of two years of technical-scientific cooperation and exchanged views on the situation in the petrochemical industry and expected trends in development. *Gyula Szekér* was received by Parliamentary Under Secretary for Industry *Michael Marshall*.

- AND BUDAPEST

Mixed economic commission talks between Britain and Hungary ended in Budapest on June 5. The two delegations established that the total volume of trade between their countries had remained unchanged as compared with 1979, but within that Hungary's exports to Britain had gone down by 16%, while imports had increased by 13%. This reflects an unfavourable trend, the main reason being the economic recession in Britain which has led to a drop in demand and in the prices of certain categories of goods. Nevertheless the commission saw opportunities for a future increase in trade, and adopted

UK-HUNGARY ECONOMIC TALKS: Mr. G.C. Dick (left), head of section at the UK Department of Trade, and Mr. Tibor Antalpieter, department head at the Hungarian Ministry of Foreign Trade, sign the minutes at the end of the mixed economic commission talks between the two countries in Budapest.



various recommendations to this effect.

Industrial cooperation between the industries of the two countries has increased in recent years, mostly in the chemical, pharmaceutical and machine manufacture fields. Headway has also been made in cooperation projects concerned with the economic use of energy. The mixed commission examined the possibility of cooperation on third markets. And they agreed on methods to strengthen technical and scientific cooperation.

The head of the British delegation also had talks with representatives of Hungary's National Planning Office, Ministry of Industry, and Chamber of Commerce.

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Lord Jellicoe, chairman of the London Chamber of Commerce and Industry and of the Tate and Lyle sugar concern paid a five-day visit to Budapest in May as guest of the Hungarian Chamber of Commerce. He had talks with the chamber chairman *Lajos Dozsa*, general manager of the Hungarian Aluminium Corporation, and co-chairman *Üdön Kallós* about the new possibilities for cooperation between the two partners, in view of the expanded jurisdiction of the Hungarian Chamber. A protocol outlining a joint programme was signed by *Lord Jellicoe* and *Üdön Kallós*.

The British visitor was received by Foreign Trade Minister *Péter Veress*, Minister of Food and Agriculture *Jenő Váncsa*, *László Károlyi*, State Secretary at the Ministry of Industry, and *Mátyás Timár*, chairman of the National Bank of Hungary. *Lord Jellicoe* discussed ways and means to further British-Hungarian trade and was briefed on the role of agriculture and industry in Hungary's economy, and Hungarian banking and credit policy.

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HUNGARIAN MUSIC IN LONDON

A week of Hungarian concerts is being presented at London's Riverside Studios from June 30 to July 4, under the title "Celebration of Hungarian Music". In the words of the organisers the five concerts are aimed at presenting "some of Hungary's foremost soloists and ensembles to celebrate the extraordinary richness of Hungary's musical tradition and the outstanding virtuosity of her young musicians". Many of the works presented are enjoying their British premiere.

The week opens on June 30 with a concert by the *Eder String Quartet* who played at the Riverside Studios earlier this year. On this occasion they will play works by Haydn, Bartók and the contemporary composer György Kurtág. They are followed on July 1 by the *New Music Studio of Budapest* who will give a programme which includes a number of experimental, electronic works.

In contrast on July 2 the young pianist *Erika Lux* will give a recital of romantic Hungarian music, including works by Liszt, Károly Goldmark and Ernő Dohnányi.

On July 3 the cimbalom duo *Márta Fábán* and *Agnes Szakály* will play modern works by Lendvay, Soproni, Szokolay and Láng and Romanian folk melodies inspired by the collection made by Béla Bartók. The series will be rounded off by a recital by the flautist *István Matuz* on July 4. He will play works which range from Bach to Miklós Kocsar. Matuz will also make a guest appearance at the cimbalom recital the evening before, when he will play Soproni's "The Pezzi" with Márta Fábán.

HUNGARIAN RECOGNITION FOR BRITISH IMMUNOLOGIST

Professor J.H. Humphrey of the Royal Post-Graduate Medical School of London has been made an honorary member of the Hungarian Immunological Society for the contribution he has made to contacts between the two countries in this field over a number of years. The event took place at the Budapest Academy of Sciences, where he gave a lecture in May.

Interviewed after the event by the Budapest English language paper Daily News, Professor Humphrey said: "I first came here three years ago for the Royal Society of London, on a three-week visit to the Hungarian Academy of Sciences and there I met many friends with whom I subsequently communicated and some of whom came to work with me, or with my colleagues in Britain. Then *Dr Zsuzsa Hollán*, head of the Budapest Blood Donation Centre, asked me to lecture in Budapest and since then I have come back a couple of times. During these visits I have been able to meet many Hungarian colleagues whom I respect very much."

He went on to pay tribute to the organisation and drive of his Hungarian hosts, saying that it was no accident that the European Federation of Immunological Societies had met in Budapest two years ago. "One of the great things about Hungary," he said, "is that with the considerable flow of visitors, including experts and scientists, it is a much frequented meeting ground between East and West, an ideal place to forge links and exchange views."

AWARD FOR BRITISH SCUPTOR

William Pye of Great Britain was one of the ten sculptors to be awarded a prize at the Fifth International Biennial Exhibition of Small Sculptures which opened in Budapest on June 20. About 400 works of art by almost one hundred artists were on display.

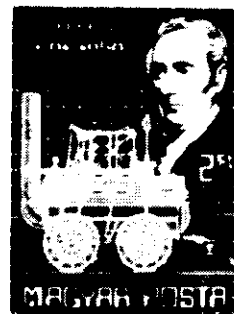
Artists from Kampuchea, Mexico, New Zealand and Vietnam took part for the first time and about a third of the 29 countries represented were non-European.

Ten prizes of equal value were awarded by an international jury, one of which went to William Pye. Apart from him, the winners included *Zoltán Szentirmai* of Hungary and artists from Belgium, Finland, France, the German Democratic Republic, Greece, the Soviet Union and Spain.

A special prize offered by the Budapest City Council went to *Zsuzsa Lóránt* of Hungary. Certificates of merit went to artists from Brazil, Cuba, Cyprus and Vietnam.

NEW STAMP COMMEMORATES ENGLISH INVENTOR

The Hungarian Postal Authorities have issued a stamp to commemorate the 200th anniversary of the birth of George Stephenson, the English inventor and railway pioneer. The stamp appeared in June; it carries a portrait of Stephenson, together with his dates, and stylised representation of his famous locomotive, the 'Rocket'. The design is by Pál Varga.





ENGLAND-HUNGARY FOOTBALL MATCH: Imre Garaba scores Hungary's only goal in the England-Hungary World Cup qualification match which took place in Budapest's People's Stadium on June 6. England won the match by three goals to one, before a capacity crowd of 68,000 spectators. Both teams are still in contention for the top two places in their group, which would qualify them for the World Cup finals in Spain in 1982.

TIBOR NYILASI has won the Golden Boot as the highest goal scorer in Europe in the 1980-81 European national league football championships. He scored 30 goals for his team Ferencváros in 33 rounds, just ahead of West German footballer Karl Heinz Rummenigge who scored 29 goals for Bayern München in 34 rounds. It is the first time a Hungarian footballer has won the Golden Boot since the title was established in 1968, although a number of players have won Silver and Bronze boots.

HUNGARY'S GOLDEN TEAM of the early 1950s is to be the subject of a full length documentary film. András Surányi, the director, says he has chosen soccer and the one-time legendary team as the theme for his first feature length film because he believes that the extremes of passion, belief, talent, mistakes and failures which characterised that era can be traced in the history of the national team. "It will be a passionate sports film and intended to obsess the audience as such," he says, "but it is inconceivable that we should prevent the terribly rugged and emotion-charged period in which it is set from permeating the film". Gusztáv Sebes, who managed the "golden" team, now 75, is working on the documentary as an adviser. One of the cameramen is Miklós Jancsó, junior, son of the famous film director.



**Interview with
Mr. A.R.B. Hore,
Secretary of
the Eastern European
Trade Council**

The East European Trade Council, EETC, is the only institution in Britain, established in 1967, set up solely to stimulate trade with the east European countries in both directions. It is a highly prestigious organization. The Council's President—that post is now held by Lord Shackleton—is appointed by the Chairman of the British Overseas Trade Board in consultation with the Minister for Trade. The Council is composed of businessmen with extensive experiences in east-west trade, representatives of the government—the Department of Trade, the Foreign Office—as well as of the Bank of England, the E.C.G.D., and leading non-governmental trade bodies such as the London Chamber of Commerce and Industry and the Confederation of British Industries. The Council's Executive Secretary, Mr. A.R.B. Hore has received and granted an interview to Deputy Editor-in-Chief József Bakonyi of Interpress Expo in his office at EETC headquarters, 25 Victoria Street, London.

Mr. Executive Secretary, the EETC is essentially an advisory body engaged in the gathering and processing of information and in its channelling to those concerned. Would you describe the EETC's working method?

The Council's representatives regularly visit the east European countries and have talks in the ministries of trade and industry, as well as the chambers of commerce there. In this way, a kind of continuous dialogue is maintained. We also have contacts with the commercial sections of the east European countries' embassies in London, as well as with their trade representations and offices. We receive government delegations and representatives of industrial and trade organizations from the east European countries, and help prepare British delegations visiting the countries of Eastern Europe. We collect and process publications, press articles and other materials on east-west trade.

What do you do in order to pass on your experiences, information and advice to those interested?

The EETC meets every second month, and it publishes reports on Council visits and talks, on trade possibilities, etc., and issues information and reference bulletins. The Council helps coordinate the work of British organizations active in the area. It also helps to organise lectures and courses for representatives of British firms interested in east-west trade.

trade is a two-way street ...

The number of such firms must be quite high, for several hundred British companies are known to be interested in trade relations with the east European countries...

We cannot say that we have a membership of X number of companies like the London Chamber of Commerce and Industry. We are financed by the government, and not by individual companies. I think this is a good thing, because in this way our services are available to any company. I would say that we are on a regular contact basis with about 300 companies. But this does not mean that we only deal with 300 companies, it is a number which is increasing all the time.

What branches of the British economy and what firms are in the first place interested in economic and trade cooperation with the east European countries?

Whilst many sectors of the British economy and many companies are keen to develop economic cooperation with the east European countries, the EETC tries to select and ensure that only those who have something to offer which the East European countries need should take an active interest. This is to save time and avoid unnecessary disappointment. Accordingly, the best bets seem to lie in the energy sector, electronics, agriculture, areas that have anything to do with labour efficiency including mechanical handling techniques, industrial sectors including consumer goods, etc.

Do the British firms take your advice? How do you evaluate the activity of the EETC from this point of view?

Since we essentially provide information and advice, it is difficult to measure our achievements. However, it is not altogether unsatisfactory to note that total trade between Britain and the east European countries has increased almost sixfold, from a mere £ 421 million in 1967, when the Council was formed, to £ 2.412 million last year.

However spectacular the increase in trade between Britain and the countries of Eastern Europe may be, it would seem to me that there are many yet untapped possibilities. An indication to this effect is the fact that the share of the east European countries in Britain's overall trade turnover is only around 3 per cent.

Undoubtedly, the percentage is ridiculously low. The sad fact is that—in spite of all our efforts—Britain's trade turnover with the countries of Eastern Europe has hovered around the 3 per cent mark for many years now. However, I have no doubt that in the longer term it will improve as British businessmen are now beginning to look more to the future and less to the past—a past which has been much influenced by their deeply ingrained "empire-trade" mindedness.

Clearly, any positive development in the future also depends on the effect Britain's membership of the Common Market will have on its trade relations with the east European countries.

I am tempted to put this question in the "too difficult for me" category, because from the ordinary British exporter's point of view, Britain's membership of the EEC has not made much—if any—difference to business with the CMEA countries.

To the extent that our membership of the EEC is making us more continental-minded, our EEC status can be held to be a helpful influence.

Despite regulations under the GATT, General Agreement on Tariffs and Trade, Britain continues to impose discriminative quotas in its trade with the east European countries. Can you foresee any positive change in this respect?

This is really a question for the Government, for whom I cannot speak. However, as far as I know, the Government has never undertaken to liberalise imports entirely. But the Government's performance in reducing the list of items subjected to quotas compares well with similar activities of other EEC countries. So that the list of items under limitation is now short. In the present economic climate, I do not see any lurch towards further liberalisation.

Would you say that this is also linked with the current international situation?

Businessmen try to separate business from politics. And I think that whilst a difficult political atmosphere is not helpful for business, I see no reason why business should not increase. The draw-back from a business point of view—from a British business point of view—is not so much the political atmosphere as the economic atmosphere, the recession which stubbornly continues in the west, and of course in this country.

Speaking to trade experts, they often make the point that several British businessmen have no adequate information and knowledge of the east European countries, their needs and possibilities, or of the "rules of traffic" in trading with them...

This is a very good question to which I think there are two points that I would particularly like to make a reply to. The first is that the understanding of the systems, the requirements and regulations in the east European countries is not nearly good enough. I have to admit that. Indeed, it is very much part of our job here to try to improve the knowledge and understanding of the British business community. It is getting better all the time, but perhaps it is not happening quite quickly enough.

The second thing is that the way a businessman is received, the problems he faces, and so on do vary between countries. For example, it is much easier in some countries of the CMEA to find one's way on one's own and to talk to people in industrial ministries and research institutes, as well as to end users, etc. Incidentally, it is becoming easier generally. Those who know their way around are certainly well received and value the endeavours to establish long-term partnership.



A Trade Fair stands in Hungary.

It would seem that the British Government is liberal and non-discriminative in its trade policy.

I agree that it is the common market of both sides—the mutual understanding and acceptance of each other's requirements, the common market—the development of products and services which is not completely in British hands. I think to be a little careful what I say about cooperation and exchange. Some people think that British businessmen are not interested and helpful and perhaps not the best of people that we have.

There is a lot of talk about the British Government's trade policy. It is a very important question. I think the British Government should be more open and more helpful in its trade policy.

In short, being a trade expert in the field, I would say that I do not see a reason why the east European countries should be subjected to quotas in their trading relations with us. I think what I do want is that they should seek to develop products which are needed that people generally wish to buy or demand from products which people are compelled to buy. Customs trading is not to be seen as long-term advantage.

You must think of what is more or less a general picture in the east European countries: that they only buy things if the partners also purchase goods in return. However, this is also a question of convertible currency, as you are also aware of it. In the countries of Eastern Europe they have to find out what they spend their currency on. Incidentally, I think that the east European countries, for example in Hungary, are not a member of the institution, but it is the national choice of countries, to which they must not be considered as a consideration.

I feel that I have not really elaborated on this and I do think this is a tremendously important point. Certainly, the Council appreciates and more and more British businessmen appreciate that trade must go in a two-way direction. We want this to be. It is not just a question of buying or selling, it is

a question of partnership which is the term that I like. But the cynic would say—that it is more difficult to buy from Eastern Europe than to sell to Eastern Europe. And there is a lot in this. So trade must go in two directions, but we want to find and meet more and more European businessmen who actually are anxious to sell you the products.

In conclusion, how do you see personally the future prospects of east-west trade?

I am an optimist.

Reprinted from:

INTERPRESS EXPO, International Magazine for East-West Trade. Budapest, Tanács körút 11, H-1075, Hungary.