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"Hungarians are pessimistic, but sober and intelligent"

Donald M. Blinken to 168 óra

Adam Sztankay's interview

*Donald M. Blinken was born in 1925 in New York. He graduated from Harvard University in 1948, majoring in the social sciences. He served in the Air Force between 1944 and 1945. He worked for Bloomingdale's in New York in 1949/50, then at the Exchange Trading Corp. until 1953. He was Vice-president of Stein's Stores from 1953 until 1959. Between 1959 and 1966 he was Vice-president of E.M. Warburg and Co. In 1966 he was one of the founding members of the investment company E.M. Warburg Pincus and Co.; he was its managing director between 1981 and 1986. Between 1978 and 1990, he was the President of SUNY's Board of Directors. He has been ambassador plenipotentiary and extraordinary of the U.S. to Hungary since 1994. His wife Veronika Blinken is of Hungarian origin. His brother Alan Blinken is his country's ambassador to Belgium.*

**- You said recently: the Hungarians have a much more sophisticated sense of history than the Americans. In my opinion the main reason for that is the fact that for centuries, there has always been a foreign power willing to "take care" of us - thereby threatening out identity and traditions. These days one hears more and more often: after the change of regime, the U.S. is the leading candidate to fill the role in which the Soviet Union gave such an unforgettable performance.**

- It is hard for me to imagine that the U.S. would be that bad and evil. When I look out of the window of my office, I see people lining up in front of our consular section. I don't think there were quite that many people waiting for entry visas at the Soviet Embassy.

**- At the same time, however, the idea prevails that there is no point in crossing the ocean, since one can find everything in Hungary the U. S. has to offer. We are busy importing culture, tastes, and consumer goods. And this is just the beginning. Soon, one of the channels of Hungarian Television might fall into American hands. This, as you have said several times, would not displease you.**

- I would like to emphasize: our government has a different approach towards the work of the Hungarian political leadership than to private sector processes. We want Hungary to become more and more advanced and to assume a valuable role in NATO, EU, and the UN. To promote that, we are not only looking at developments in Hungary from the distance, but also share our opinions with the political leaders of the country. But the private sector is a different issue. The U.S. government has nothing to do with what investments U.S. companies make. These are the private affairs of McDonald's, or IBM, or the businessman interested in television. Naturally, we are pleased when a U.S. company is successful in Hungary, but we have no say in their business.

**- Really?**

- When I first arrived three years ago I noticed how many Pizza Huts and McDonalds you had. I kept asking everyone why that was so. The answer was clear: if Hungarians did not want them, there would not be so many of them.

**- In the beginning you gave enthusiastic interviews about Hungary; your biggest misgiving was the high cholesterol content of Hungarian cuisine. Later, irony began to creep into your interviews. Two years ago, on account of a rather negative piece in "The New York Times," many people thought Hungary's chances to join NATO were declining. At that time you said that there was no reason for us to worry, but that you were not surprised, because Hungary is a nation of worriers. What do you think we are worried about right now?**

- Society is concerned about several problems, but the most important thing is whether the election campaign, or the outcome of the election, will not slow down the economic reform which was started in 1995. I think the stabilization program was extremely successful, but has brought results mainly in the macro economy. The average citizen had no chance to perceive this, and that's what creates the conflict. An increased living standard for Hungary's poorest is long overdue.

**- Interestingly, your Japanese colleague said the same thing. The only question is whether it is feasible.**

- Obviously, after the decades of stagnation, it won't happen overnight. But you have already reached outstanding results. Seventy per cent of the Hungarian economy has been privatized: the companies are operating under market conditions, according to the rules of competition, the way they do in advanced democracies. We can also see a lot of daily evidence of a higher living standard. It is enough just to look around in Budapest: there are more than 1 million cars on the roads. Walking around in the Buda hills, one can see more and more houses being built, and many being renovated. It is also a great achievement that unemployment is low in the capital city. Of course, I am aware that the situation is not as rosy as this in the countryside. Just for this reason, the Embassy, and USAID are working to assist those regions-- especially in northern and southern Hungary-- which need help the most. We want these regions to find investors as soon as possible who will replace outdated industries with modern ones and create jobs.

**- Still, before the parliamentary elections one has to reckon with not only those who have nice jobs with foreign companies, or are building their houses on Svabhegy. There are many dissatisfied people.**

- You are right. Still, I think the Hungarian government was right to balance payments with productivity. Had they done otherwise, inflation would have been even higher, and the living standard even lower. The government's economic policy had a positive effect on industry as well as on agriculture. That's why I am concerned, and irritated, when Hungarian politicians

say that it is much more important for Hungary to go back to being an agricultural country than to join EU. And it would be outright nonsense if one tried to ease the pain of the change of the system by stopping privatization or turning back the modernization process. That would be the perfect recipe for Hungary to go back to the Middle Ages, to sink to the level of Albania.

**- Well, it seems, in Hungary the top of the election list is held by people with such programs.**

- I do not wish to comment on the competition between the Hungarian political parties, and neither do I want to interfere. For the United States of America, there can be neither favored nor unfavored parties anywhere in the world. Still, it would be very fortunate if the leaders of the Hungarian political parties would discuss with each other--in public, of course--the issues society is most interested in. They would explain their approaches regarding privatization, the reform of the social security and pension systems, and education. It is not enough to keep saying that the current problems come from the wrong measures of the previous government. But neither is it encouraging if they preach that Hungary should go back to the way it was in 1925.

**- A few months ago, in one of the weeklies, you seemed to speak sympathetically about the government, while you were quite critical of the opposition.**

- It was not my intention to express partiality. Prior to that, several people had objected to officials of the U.S. Embassy not meeting often enough with leaders of opposition parties. To that I responded in the paper, saying that it would be a good idea for the leaders of the opposition to come up with concrete plans. I did not want to talk to them about the unsuitability of the government. We want to find out what they would do if they were in power. Since then, our relations have been settled: today, even with the opposition, we talk about substance. We support the kind of policy we think is good for Hungary, and thereby good for the U.S. However, in this context I can now say: the Hungarian government of the past few years has had an excellent foreign policy. It is reassuring both for the Western European countries and for the U.S. that Hungarians have settled their relations with their neighbors through treaties. And we can only hope there will be no fundamental changes in Hungarian foreign policy after the election.

**- Our current government might very well have an excellent foreign policy, but what could we be proud of as far as domestic affairs are concerned? You speak of the government's economic policy appreciatively, but many think the austerity measures did more damage than good. Besides, no definitive decision has been reached since that would have had a serious impact on the development of the economy. The notorious Tocsik affair and the other corruption and Parliament scandals have rendered the leadership of the country insecure. They have retreated into defensive positions, opening the way for the opposition in the next elections.**

- I am really convinced that the policy that started the modernization process is categorically successful. On the other hand, the Hungarian politicians, and every Hungarian citizen should do their best to protect the country's ethical and moral reputation. It would be good if coordinated measures were taken against corruption and tax fraud. Also, privatization

deals ought to be made fully transparent, and political considerations should play no part in decisions about privatization. But there is a lot to do in the local communities as well. Often, these are trivial. For instance, prices suddenly go up when foreign guests enter a restaurant, and they are beaten up if they refuse to pay. Such things cannot be tolerated, since these are the things that shape foreign opinion about Hungary. And it is not easy to cast off a dubious reputation.

**- You were asked before the 1994 election whether you were afraid that a turn to the left could reverse Hungary on its path to democratic development. You replied that none of the parties running would, if in power, threaten the country's political security. Do you still have the same opinion?**

- I am firmly convinced that the relations Hungary has formed so far with NATO, with the EU, as well as its achievements of modernization, make it impossible for anyone to turn the country away from the road to development. Besides, pre-election rhetoric always promises something other than what can be delivered once in office. Hungarians are rather pessimistic, but at the same time, sober and intelligent. I am optimistic: an election year is difficult for every country, but even you Hungarians will survive it.

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