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Gomulka and Cyrankiewicz in Budapest

It was announced only one day in advance that Gomulka and Cyrankiewicz would pay a visit on 8 March to Hungary. The final communique added that the visit was at the invitation of the Hungarian Party and government. Gomulka and Cyrankiewicz were in Hungary in January 1966 on a visit which has not yet been returned.

The "friendly and unofficial" visit lasted two days, i.e. 8 and 9 March. The official communique issued by the news agencies of the two countries on 9 March stated that the Polish delegation had talks with Kadar, Kallai and Komocsin. This restricted circle of negotiation partners indicates that the talks must have centered around questions of foreign policy, because these three leaders are most directly involved in the shaping of the country's foreign policy line. Kallai has been for years -- even before his appointment as Prime Minister -- as Deputy Premier responsible for the direction of foreign affairs, while the same job is done in the highest Party circles by Komocsin.

During the meeting -- said the communique -- an exchange of views took place on the further expansion of relations between the two fraternal socialist countries. The current international situation and the tasks of the common struggle for peace and security in Europe were discussed, as was the situation in the international Communist and workers movement. The talks were characterized as "friendly and Party-like" and satisfaction was expressed with the favorable development of the cooperation between the two countries in political, economic and cultural matters. As during the recent Hungarian-Soviet talks, it was stated that "the talks confirmed the full identity of views of both sides on all matters discussed, on the
friendship of the two nations and on the cause of socialism and peace. The leaders of the two Parties agreed to conduct systematic consultations and exchanges of views in the future.

This usually generalized statement does not reveal anything concrete on the individual questions discussed, but it is evident that the German question received the greatest attention. As during previous Hungarian-Soviet talks no clue is given as to the future attitude of Hungary concerning the establishment of diplomatic relations with West Germany.

The Concept of Danubian Cooperation is Emphasized Again

For more than a year, a remarkable feature of Hungarian foreign policy has taken form in the concept of the cooperation between the peoples living in the Danubian basin. (An Alternative Foreign Policy for Hungary, BR., 29 March 1966.) At the present time the discussion of the concept has not formed the basis for any concrete foreign policy decisions -- indeed it is noteworthy that no other Danubian country has taken note of the Hungarian discussion -- but the potential significance of the discussion for future Hungarian policy makes worthwhile a continuing analysis. Recently the concept is becoming more clearly delineated. It now concerns the Danubian basin not in the broader, but according to the old traditions, in the narrower sense, in other words including Austria, Czechoslovakia, Hungary, Yugoslavia, Rumania and Bulgaria. "The Soviet Union cannot simply be considered as a Danubian country... the problem of West Germany is far beyond the scope of the Danubian basin." (Unsigned: Danubian Cooperation, Nograd, 21 January 1967, HPS, 30 January 1967 No. 1787.)

The Hungarian leadership apparently wants to fit the concept of Danubian cooperation into a system of regional cooperation. In his Christmas 1966 article, Foreign Minister Janos Peter pointed out that: "Cooperation between the countries in the Danubian basin -- especially those who are living along the border between the two social systems -- could be an important factor in the development of European peace and the system of European security, in the same way as the relations between the Soviet Union -- especially its Baltic republics -- and the Scandinavian countries, Poland and the two Germanys as well as the relations between the various systems of the Balkan Peninsula are bearing out the possibilities of a new kind of international cooperation." (Janos Peter: Hungary and Europe, Nepszabadsag, 25 December 1966.)

Danubian cooperation has repeatedly been mentioned during the past weeks in the course of the election campaign. In his speech on February 22, 1967, at the Budapest Sports Hall, Janos Kadar remarked that: "Our aim is to make the Danubian basin -- which was the source of countless conflicts in the past -- the factor of European peace and security." (Nepszabadsag, 23 February 1967, SR, 24 February 1967). Peter Vajda, a member of the staff of the Nepszabadsag of long standing, wrote in his editorial: "Our Voice in the World" that: "Our foreign policy pays attention to the concept of regional cooperation primarily because we are outlining a security system by means of the development of a cooperation between the neighboring countries." (Nepszabadsag, 5 March 1967).
The editorial: "A Common Mission in the Danubian Basin," published in the Patriotic People's Front daily Magyar Nemzet, deserves special attention. The author of the editorial is Tibor Petho, the main publicist of the paper. The article seems to reflect the official standpoint on Danubian cooperation. After outlining the geographical conditions and historic problems of the Danubian basin, Petho deals in detail with German aspirations in this region in the course of history. He then evaluates the policy of the Kiesinger government as the "Opening to the East." Regarding economic cooperation between the Danubian countries he remarks that this region, too, has "some tendency toward outside gravitation." As far as cooperation is concerned, he deals in detail with the role of Austria and rejects the idea of the role of Austria as "a special bridge" in this region. However, he agrees with the speech of Austrian Chancellor Klaus in which Klaus said in January that: "After fifty years, the former close relations between Austria and the East European countries should be restored in new forms and with the changes required by the modern era." Petho remarked in his editorial that "the Hungarian public shares this view and approves of all activities which are aimed at the development of those 'new forms'." "It can clearly be seen today that the road to all-European security system leads through the organization of groups of regional cooperation." In conclusion Petho states that "Hungarian diplomacy and the Hungarian social and political organizations consider as their most important task taking a stand, at international forums, for the strengthening of security and peace in the Danubian basin." (Magyar Nemzet, 5 March 1967.)

The "Modification" of Economic Policy in the Estimation of Cooperatives

Meetings, in connection with the parliamentary and national council elections, are in progress in Hungary. A number of remarkable statements have been made at these meetings (SR of 7 March). Politburo member and CC Secretary Rezso Nyers made a speech, concerning aspects of the NDM, at the Kecskemet electoral meeting (Nepszabadsag, 8 March 1967). The following represent the more interesting of his remarks:

While judging the nature of the role of the cooperatives "we can talk about the modification of our economic policy to a certain degree." Nyers' statement warrants note because, in connection with the economic reform, the official emphasis has been that only the mechanism and not the economic policy will change.

In his estimation of the cooperatives, Nyers ascribes the modification of economic policy to two facts:

a. Whether the cooperative form is a transitional or a perspective social production form has not yet been clarified sufficiently. Nyers announced that: "Our Party has come to the conclusion that it is wrong to consider the cooperatives a transitional category."

b. As a result, we have to reject the former thesis that state property is consistently socialist property and cooperative property is a form of property of a lower degree: "Our opinion is that the property is consistently socialist in both cases."

The ideological implications of this formulation are far-reaching, touching by inference even upon the rights of employees of industrial "socialist property." This subject will be pursued further in a forthcoming Background Report on Hungarian agriculture.
On March 9, the Council of Ministers discussed a joint report of the Ministers of Education and Works, the Presidency of the Trade Union Council and of the Communist Youth League on the problems posed by the large size of the age groups born in the early 1950s for the further education and employment of young people in the coming four to five years. These problems stem from the drastic and ill-considered population-boosting "drive" which was undertaken by the Rakosi regime between February 1953 (the reissuing of the so-called Ratko Law) and June 1956 (when the so-called "abortion" law not only completely dropped the "demographic" campaign but switched to a completely opposite demographic policy, i.e. the "liberalization" of induced abortions). As a result, the number of live births increased from 185,820 in 1952 to 206,926 in 1953, reached an all-time record of 223,347 in 1954. The rate remained very high in 1955 with 210,430 births and began to decline in 1956, sinking to 192,810. As a result of this new legislation, the number of live births per year decreased to about 130,000-133,000 in the years 1962-1965 and there was a certain improvement only in 1966 when they numbered 138,000. In recent years, Hungary has had the lowest rate in the world of natural population increase - 2.4 per thousand in 1965 and 3.6 per thousand in 1966.

The "demographic" campaign of 1953-1956 gave rise in later years to a "demographic" wave which hit in successive ripples the nurseries, kindergartens and the "general" schools (elementary and grammar schools) attended by young people between 6 and 14 years of age. The declining number of live births in more recent years has already eased the situation in these sectors. The "wave" is now hitting higher education schools and places of employment. It is calculated that some 164,000 young people will finish the "general" schools in 1967, compared to the 150-155,000 graduates of earlier years. In 1968 and 1969 their number will increase to some 185,000, then decrease to 165,000 in 1970 and remain rather low -- some 120,000 after 1970. The snowballing effect of the demographic wave creates serious problems for the regime and calls for special measures. It is expected that the employment situation will be under particular pressure. In fact, some 900,000 young people will finish the "general" and high schools between 1967 and 1970 and look for jobs. As in earlier years, the universities and other higher institutes can absorb only some fifty per cent of the high school graduates (cf. Figyelo of 1 February 1967). According to another calculation, the number of young people in search of employment will be higher by some 300,000 in the period of the Third Five Year Plan (1966-1970) than it was under the previous five year plan (cf. Nepszava of 4 March 1967). A number of circumstances converge to make the ensuing situation even more complicated. Some fifty per cent of the expected 900,000 young job seekers are only 14-15 years old. The same proportion has no professional training whatsoever. Seventy per cent of the 900,000 young people are female; the same portion is living in the countryside. Finally, these problems are affecting the employment situation at a particularly critical juncture, namely in the first years of the NEM (to go into force in January 1968) which is expected to reduce somewhat the employment chances of young people. Nepszava of 4 March 1967, reporting on the efforts of the Food Industry Workers' Trade Union to provide suitable work for young people, pointed out that the number of
new jobs is likely to fall short of the labor supply in coming years. Speaking at an electoral rally in Gödöllő, Minister of Education Ilku pointed out that there is going to be less choice regarding the places of employment and there are already some areas where there is a certain "difficulty" regarding employment (cf. Népszabadság of 1 March 1967).

As to the remedies which the regime plans to undertake in order to tackle the situation, a distinction is made between the youth of the towns and the countryside. Large numbers of young people with no professional training are living in the villages where agriculture offers them nearly "unlimited" possibilities of employment. The average age of the membership of agricultural collectives is 54 years — (cf. SR of 7 March 1967). Rejuvenation in this field is of paramount importance. In order to keep some of the youth in the villages, the curriculum of the recently established extension schools (which young people have to attend until the age of sixteen) has been changed to include items aimed at raising the pupils to the level of semi-skilled agricultural workers.

The main direction of the measures planned by the government to cope with the situation is the intensification of the training of skilled workers. This appears to be particularly important regarding the female labor force. Figyelo of 1 February 1967 pointed out that, while 40 per cent of the total labor force of the country is made up of women, at present only 20 per cent of industrial apprentices attending courses to become skilled workers are girls. The system of technical high schools will also be extended. High school graduates who fail to gain admission to the universities are called upon to look for some specialized industrial jobs instead of trying to swell the ranks of clerical workers.

It is foreseen, however, that the extension of the training of skilled workers will be instrumental only in diverting a certain portion of young people from the "labor market" to the schools, but will not solve the difficulties and hardships for young people who finish training in the coming years. In fact, the government's plan to admit more young people to the schools for skilled workers than the expected number of jobs in industry during the coming two to three years will inevitably lead to an "over-production" of skilled workers who, for some time, may not find adequate employment but will have to take lower types of jobs. Figyelo of 1 February 1967 forecast that "for some years, their employment will not be an easy question." On the other hand, it has also been stressed that in the years after 1970, when the annual number of "general" school graduates will drop to some 120,000, the situation will undergo a marked change in the opposite direction: meeting the demand for skilled workers will then pose serious problems. Therefore, Figyelo states, this is the time to build "reserves" for the lean decades after 1970. The enterprises should not hesitate to train the "largest" number of skilled workers. Figyelo mentions that even in the past many a skilled worker could not immediately find an appropriate job and this situation will become -- temporarily -- more frequent in the coming year.

Realizing the seriousness of the problem, the Council of Ministers appealed to all nation-wide organs, as well as to the local councils, to consider both the employment and the further professional
training of youth as a task of "primary importance." In his Godollo speech, Ilku emphasized that "the entire society should join hands" in order to ensure that the members of the unusually large age groups of the early 1950s find their places in the coming years, both in industry and agriculture. Concerning practical measures, the Trade Union of the Food Industry Workers plans to organize shorter (four-six hour) jobs for young people of both sexes during the "peak" time of processing.

Diplomatic News

Replacing Ambassador Zoltan Kovacs, who was transferred to Buenos Aires, Hungary has appointed a new Ambassador to Nigeria in the person of Dr. Jozsef Miko. Jozsef Miko is not a career diplomat, but made his career in the local council administration. In 1954 he worked as a section head in the Prime Minister's Office dealing with local councils. In April 1956 he was transferred to the Budapest local council as secretary of the executive committee. He was retained in this job until October 1960. It was stated on this occasion that he had received some "other important state assignment." Most likely he was transferred to the Ministry of Foreign Affairs (Radio Budapest of 7 March 1967).

Radio Budapest reported on 6 March that under the leadership of Endre Rosta, acting chairman of the Institute of Cultural Relations Abroad, a cultural delegation left Budapest for a visit to North Vietnam.

Simultaneously with the visit of Gomulka and Cyrankiewicz, Dimce Belowski, Deputy Foreign Minister of Yugoslavia, visited Budapest. He had talks with Deputy Foreign Ministers Szilagyi and Mod. On 9 March he left again for Belgrade (Radio Budapest of 8 and 9 March 1967).