

## Charges in case

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Képiró faced charges of complicity in the rounding up and execution of some three dozen civilians as the captain of an armed police unit in northern Yugoslavia – now Serbia – in 1942. Over a thousand were killed in the raid between 21 and 23 January that claimed over 1,000 civilian lives that year, part of a series of reprisal killings that became known as the Novi Sad massacre. Hungary was allied to Hitler's Germany at the time and took part in the occupation of its southern neighbour, northern Serbia having once been Hungarian territory.

Képiró had been found guilty by a Hungarian court in 1944. However, his ten-year sentence was promptly quashed after Germany invaded Hungary and installed a puppet fascist government. He was retried in absentia by another court and another guilty verdict was issued in 1948. By that time Hungary was under the sphere of influence of the USSR and Képiró had absconded to Argentina.

He returned to Hungary in 1996 and lived in obscurity for ten years before being exposed by the Simon Wiesenthal Center's chief Nazi-hunter Efraim Zuroff in 2006. He topped the organisation's most-wanted list in its "Operation Last Chance" – a bid to get the last few Nazi-era war crimes suspects into court.

The reading of the verdict and the court's explanation of it was spread out over two days because of Képiró's poor health. The trial had already been stalled for over a week while he underwent medical and psychiatric tests after the prosecution expressed doubts over his ability to understand what was going on. The defendant was declared *compos mentis* and fit to face trial but only for a maximum of two 45-minute sessions a day. After the verdict was read out he was taken back to hospital. He did not attend court on Tuesday.

– Robert Hodgson

## Comment: Justice on trial as Képiró goes free

Somehow it all seemed unreal: the unbearably sticky heat in the courtroom of Budapest Municipal Court, the 97-year-old wheelchair-bound defendant Sándor Képiró who was pushed in with red-rimmed eyes and an IV drip, the poor quality of the microphones, the lawyer of the accused who nodded off briefly, and the elder of Képiró's two carers who unexpectedly leapt to her feet and asserted what a fine man he is and that he had told her how home-sick he was for Hungary.

Finally there was cheering when the judge issued the court's verdict: Képiró was acquitted. The judgement was a triumph for Hungary's far-right, whose representatives marched out of the courtroom in T-shirts decorated with Árpád flags and their right fists proudly raised in the air.

The verdict is not yet legally binding: the prosecution – which had called during the trial for a custodial sentence despite Képiró's age – lodged an appeal and Képiró's defence lawyer also lodged an appeal, saying he wanted his client declared innocent, not merely acquitted for lack of evidence. The court's verdict was strongly criticised by both Efraim Zuroff, director of the Simon Wiesenthal Center, and Bruno Vekarić, spokesman for Serbia's war

crimes prosecutor. Both insisted it had made a mockery of the victims. The accused acknowledged that he was present at the raid in January 1942 as a member of the Hungarian occupation police stationed in Vojvodina – although he denied any knowledge of the killing of civilians.

Nevertheless the court ruled that there was no firm evidence of Képiró's direct involvement, and that it cannot even be proven beyond doubt that he was aware of it. Képiró himself said that the massacre was a cleansing action carried out by the Hungarian army and that he, as a simple policeman, could not have had anything to do with it.

It is not only the international press that is questioning how Képiró can have been acquitted so fully. There is also astonishment in Budapest: could the court not have exercised a little more juristic imagination? Even if "not guilty" of the massacre, Képiró was undoubtedly among those who were present in Novi Sad and played an active part in rounding up the victims. Accessory to murder or failure to offer assistance to the victims... surely there must be a wider spectrum of possible verdicts?

The Képiró trial shows once again how difficult it is to bring crimes of long ago to court. Historian Krisztián

Ungváry said that Képiró cannot easily be proven guilty in a legal sense, even if morally he can certainly be held responsible. The experience is undoubtedly a very painful one. It is an experience shared by the representatives of the association of the victims of the Recsk forced-labour camp, which sought at the beginning of the 1990s, led by the jurist Tibor Zimányi (who died in 2007), to have communist criminals sentenced by the courts. Those trials also failed because of lack of evidence.

János M. Rainer, director of the Institute for the History of the 1956 Hungarian Revolution, said in an interview with *Saarland Radio* in 2000: "We no longer want such trials because they always end tragically for the victims. Most of the files have disappeared and little of what actually happened can be proven with tangible evidence. That's why we proceed differently: we name those who are responsible for crimes committed in our publications, with our sources. That means, we pass sentence on them historically."

That is one point of view. Perhaps that is what historian László Karsai was thinking of when in the daily *Magyar Hírlap* he called on Zuroff to cease bringing trials for which

evidence is no longer available after 60 or 70 years.

There is, however, another point of view that cannot be dismissed lightly. Our civil societies condemn all forms of murder, whether it be mass murder or murder of one individual. Murder has no statute of limitation and murder must be punished, regardless of when the crime was committed and regardless of how old the murderer is.

That is the view taken by Zimányi, who said in an interview: "What kind of morals can be established in a society where former executioners are simply allowed to carry on living a good life?" Zuroff and Vekarić refer to survivors of the massacre, whose reports agree on what happened in the ice-cold days of January 1942, when over 1,200 people were rounded up from their houses, shot and thrown in the Danube.

For the survivors, Képiró is far from being an unknown quantity. Zuroff and Vekarić hope that the court of the next instance will pay greater heed to those witness reports.

Shortly after the verdict was pronounced, the Belgrade Institute for the Hebrew Language and Literature announced a protest rally for this Sunday in Belgrade and Novi Sad.

– Anat Kalman

### Balkan war suspect caught

Serbian authorities captured on Wednesday Goran Hadžić, a Croatian Serb accused of crimes against humanity and of violation of the laws and customs of war, state news agency *MTI* reported. Hadžić was a general and president of the Republic of Serbian Krajina during the Croatian War of Independence. He allegedly took part in the Slobodan Milošević-led attempt to eliminate the non-Serb population in one third of the territory of Croatia, persecuting and murdering Croats and other non-Serbs between June 1991 and December 1993. The Foreign Office welcomed Hadžić's arrest and is looking forward to his extradition to the International Criminal Tribunal for the former Yugoslavia in The Hague, a statement read. Hadžić was the last fugitive from the Balkan wars.

### Strong-arm tactics against one-armed bandits

The ruling Fidesz-Christian Democrats coalition plans to follow a Slovak example and banish gambling from pubs throughout Hungary, daily *Népszava* said on Wednesday. The Slovak Parliament decided recently that, starting in 2013, the use of slot machines will be allowed only in game parlours. Bratislava mayor Tatiana Rosová said Old City residents regularly complain about bars, which police previously handled by fines. The ban should have a stronger effect on maintaining a peaceful city. The Hungarian Gambling Association told *Népszava* that it had no information about the government's plans to ban slot machines from pubs but is against the idea. Instead of a ban, the government should improve control, the association said. *Népszava* said that if the ban is introduced some 16,000 slot machines will be withdrawn from use. Around two-thirds of slot machines in Hungary are in pubs and the rest in game parlours and casinos. Relatives of addicts would have the right to ask bar and game parlour owners to prevent them from entering.

### Nation's gas, electricity prices above EU average

A new report published by Eurostat, the statistical office of the European Union, reveals that household electricity prices in the EU 27 rose 5.1 per cent and gas prices 7.7 per cent in the second half of 2010, measured against July-December 2009. The average price of gas increased 19.6 per cent in Hungary. The highest climb in household electricity prices in national currency was registered in Lithuania (+31 per cent), and the largest decreases were in the Netherlands (-8 per cent) and Luxembourg (-7 per cent). In euro terms, average household electricity prices were lowest in Bulgaria (EUR 8.3 per 100 kWh) and Estonia (EUR 10), and highest in Denmark (EUR 27.1). When expressed in purchasing power standards – an artificial common reference currency unit that eliminates income level differences between countries – the lowest household electricity prices were found in France (11.3 PPS per 100 kWh) and the highest in Hungary (25.7).

### 2012 budget asks for more

Based on the plans of the government published in the latest issue of the official legislative gazette *Magyar Közlöny*, this year's budget deficit of HUF 1.18 trillion (EUR 4.39 billion) will be reduced to HUF 606.4 billion (EUR 2.25 billion) in 2012 and HUF 594.2 billion (EUR 2.204 billion) in 2013. Consumption related tax revenues are planned to increase by 3 per cent next year and payments from the public will grow by 6 per cent – which means that there will not be any tax cuts in 2012 – but decline by 3.7 per cent in 2013. The biggest loser of the next two years will be the healthcare system, which will receive 5 per cent less in 2012 and a further 1.4 less the following year.

### Nuclear plant official quizzed on contract

László Molnár, former deputy managing director of state electricity concern MVM and the Paks nuclear power plant, faces police charges of misuse of funds, state radio *Kossuth* reported on Tuesday. Police are said to have questioned him and searched his home.

The investigation concerns a HUF 40 million (EUR 148,455) consultancy contract signed in February 2008 for a study on the expansion opportunities at the Paks plant. Molnár was to be paid HUF 30 million (EUR 111,345) once for the study, plus HUF 200,000 (EUR 742.26) a day.

Police say the study was pieced together from existing documents and the contract was signed by Molnár to declare that it had been fulfilled.

MVM told *Kossuth Rádó*: "The directors who took office in August of 2010 respect the law and government orders at all times and are aiding the police in their investigations of previous criminal allegations." Police are investigating ten other cases involving investments made by MVM between 2006 and 2007. Molnár was not put under preliminary arrest and was released on his own recognisance.



Alstom CEO Patrick Kron and Budapest mayor István Tarlós show off a model of the planned metro trains.

### Metro cars deal rolling again

Budapest mayor István Tarlós and metro car maker Alstom CEO Patrick Kron signed a modified contract about the production of metro cars for lines 2 and 4 on Wednesday, state news agency *MTI* reported.

Tarlós said he is now cautiously optimistic about the deal but much depends on whether Alstom can obtain technical permits for the metro cars, which the company failed to do before, leading to the cancellation of the contract and legal disputes.

Kron said obtaining the permits will not be a problem. The process would begin in the next few days. He said the new agreement is the result of very difficult but constructive negotiations. It was difficult for him to believe that the situation had been at rock bottom only weeks ago.

The modified contract means Alstom will have no grounds to refuse repayment if the company fails to secure approval for the metro cars. Alstom will manufacture 22 cars for metro line 2 for EUR 150 million and 22 cars for metro line 4 for EUR 114 million.

The amount of the severance payment was raised to 30 per cent from 20, and the cost of liability to 30 per cent from 20, both of which lie with Alstom. The cost of the downpayment that Budapest must pay is down to 20 per cent from 50.

Alstom agreed to secure approval for the cars for metro line 2 within 300 days of the agreement taking effect and start delivering within 330 days. Approval for metro line 4 cars will have to be acquired within 548 days and the first cars delivered in 750 days.

Tarlós and Kron agreed on the changes to the contract on 11 July, which Budapest City Council approved last Thursday.

### US opera showcase falls through

The Los Angeles Opera has withdrawn from a potential collaboration to present the Hungarian opera *Bánk Bán* in the US. "Both the company and our Hungarian colleagues have worked tirelessly to try and make this production possible, and I was particularly looking forward to the opportunity to conduct the first major production of this little-known masterpiece in the United States," Plácido Domingo, the general director of the opera, said this week. The agreement to perform *Bánk Bán* in a production that would meet all artistic standards could not be reached in time, Domingo said. The Hungarian Ministry of National Resources said it will do everything possible for the US premiere to happen. The ministry said the LA Opera remains open to the idea of staging *Bánk Bán*. Hungarian co-producing firm Megakoncert said Domingo remains committed to the production and the HUF 200 million (EUR 746,000) promised by the Hungarian state "is a good enough argument for *Bánk Bán* to happen". Megakoncert producer Zsolt Magony said the opera cancelled the project for now because after a number of delays the contract was still not signed.

### HUF 9bn black hole as gas vanishes into thin air

Gas distributor Tígáz is losing HUF 9 billion (EUR 33.43 million) annually to theft, controller of the company László Kállai said on Tuesday, state news agency *MTI* reported. Gas theft is now organised rather than individually committed, Kállai said. Irregular consumption is found at 10-12 per cent of the locations inspected. Most thefts occur in Szabolcs-Szatmár-Bereg, Hajdú-Bihar and Pest counties, where around 70 million cubic metres of gas, or 1.7 per cent of the amount distributed by the company, goes missing a year. The loss is equal to the yearly consumption of 50,000 households, Kállai said.

Nearly 5,000 instances of gas theft were detected in the first half of this year, compared to 4,000 in the whole of 2010, and mostly among private consumers. Tígáz is predicting 10,000 thefts for this year. The company spends tens of thousands of forints on equipment to detect and prevent theft, using new meters, endoscopes, microscopes, magnetic monitoring equipment and heat sensors. Last year HUF 840 million (EUR 3.12 million) of the missing HUF 9 billion was recovered with the help of such equipment, but Kállai said the most that can be hoped for is to keep the losses down.

### EUR 50 million for solar panel plant

The construction of a EUR 50 million solar panel plant near the city of Csorna will begin in September and complete next spring, the Swiss developer announced this Tuesday. The factory of EcoSolifer will initially create 160 new jobs, but owners said that this could expand in the future. The investment will receive HUF 1 billion (EUR 3.71 million) of state subsidy. According to state secretary Zsolt Becsey, the investment of the government will clear by the end of 2014 as one condition of the state support is that the number of jobs cannot decline for five years.

### Lucky 13 for Decathlon

Sporting goods retailer Decathlon is likely to finish this year in the black, prompting the French parent company to approve the chain's 13th store in Hungary, in Debrecen, managing director Gábor Pošta said. The company will spend some EUR 2 million, bringing Decathlon's Hungarian investments since 2005 above the EUR 40 million mark.

### 45% of invoices paid 21 days late in H1

In the first half of 2011, 45 per cent of wire transfer invoices were paid 21 days late (on average) by Hungarian companies, a study released this week by one of the world's largest business information providers, Dun & Bradstreet revealed. While the ratio is high in international comparison, it means a decline of four percentage points compared to H1 of 2010. The biggest delays were observed in the construction and paper manufacturing segments. According to the study the number of joint ventures was more than 563,000 at the end of the first half of the year, which is a 2.5 per cent increase, but less than half of the average pre-crisis annual expansion.

### Counterfeiters prefer HUF 10,000 note

The number of counterfeited forint notes continued to decline in the second quarter of the year, with the highest amount of fakes being made to look like the HUF 10,000 (EUR 37.29) tender. A report published this week by the National Bank of Hungary (MNB) revealed a drop of 35 per cent compared to the previous quarter and that the number of counterfeited bills remains extremely low in comparison with the total amount in circulation. In Q2, the MNB found 572 notes of the 269.1 million used in Hungary.

### 2000 Elcoteq jobs in shaky

Some 2,000 Hungarian jobs could be in danger after the Finnish parent company of Elcoteq filed for bankruptcy protection on Tuesday. The company announced on 30 June that it will not be able to pay its EUR 48.5 million debt and could not reach a debt-rescheduling agreement with Danske Bank, which represents Elcoteq's creditors. Certain bank accounts of the firm were subsequently blocked. Elcoteq Hungary union leader Béla Novodárszky said the fate of 2,000 workers in Pécs could depend on an agreement with Platinum Equity, an American investor firm. Press reports suggest that the most important condition of the California-based company is that Elcoteq reaches an agreement with creditors. "The accounts of the Hungarian subsidiary were also blocked on Monday," Novodárszky told state news agency *MTI*.

### Economy wrong for job creation: GKI

Retroactive crisis taxes, the renationalisation of the private pension system and the politics of the government are putting Hungarian firms in an unfavourable position that is retarding the creation of jobs, a report published by economic researcher GKI this Wednesday said. The study says consumers making more money than before are not spending it but instead repay loans or put it in the bank, and firms are incapable of powering the economy on their own.

### MOL still number one

MOL maintained its first position in the TOP 100 list of the most successful Hungarian companies, which is released every year by weekly magazine *Figyelő*. Electricity companies MVM and E.ON had to say goodbye to the top ten, which now comprises Audi, Nokia, GE, Samsung, Philips, E.ON Earth gas, Panrusgáz, Magyar Telekom and Tesco. Although Panrusgáz is on the list, it was compiled based on last year's data and the company has abandoned the gas trade business because of the crisis tax levied on the segment.