

Hungary

I was dining in one of Budapest's quaint wine-cellar restaurants when I noticed three burly men in ill-fitting suits eating uncouthly at a nearby table. One was busy mopping his bald pate with a napkin.

I asked a waiter who they were. He replied in a loud voice, "Russian swine."

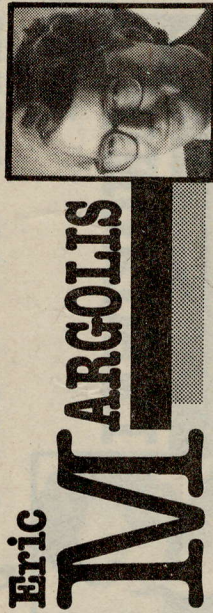
Hungarians, or Magyars as they call themselves, are not fond of Russians. In 1948 a Russian army put down Hungary's attempt to gain its freedom from the Hapsburg Empire. Thirty-three years ago, Soviet tanks clanked into Budapest and crushed Hungary's second great revolt. After savage fighting, 25,000 Magyars died and 150,000 were wounded. Imre Nagy and 259 leaders of the anti-communist revolt were executed.

Last Monday, ecstatic Hungarians took to the streets of Budapest, some still showing scars of the 1956 fighting, to celebrate their nation's liberation from communist rule. This was as close to a political miracle as we are likely to see. Prayers of thanks are due to Hungary's patron, St. Stephen, to Mikhail Gorbachev and, most of all, to the unconquerable Magyar spirit.

Hungary's discredited and unloved communists have changed their name and apparently their policies, becoming a democratic socialist party. Opposition parties are forming and gearing up for next year's free elections. Capitalism, practised underground for the last 15 years by the energetic Magyars, now seems official policy.

Hungarians have a right to break out the best Tokay wine and toast their escape from behind the Iron Curtain. But once the party is over, soberness will be needed to tackle Hungary's severe economic problems. Like all other East European nations — Albania excepted — Hungary is almost bankrupt. The socialist wel-

Eric gets a taste of freedom



ERIC ARGOLIS

To solve their economic problems, the Magyars are counting on the wealthy West Germans. So far, Bonn has shown an eagerness to support Hungary's ailing economy that must cause deep unease in Moscow. Before long, Hungary could well enter West Germany's economic orbit. German political influence in East Europe, from where millions of ethnic Germans were expelled in 1945, will certainly follow.

One possible alternative, much discussed in European intellectual circles, is the formation of a neutral Middle Europe, comprising Hungary, Austria, Poland, Czechoslovakia and perhaps Yugoslavia — or at least its Croats and Slovenes. As previously noted, I even harbor a charming, though admittedly unlikely notion that a modern, democratic version of the old Austro-Hungarian Empire might be somehow restored.

Who says history is dry, dull stuff?

Back to the present: Once the euphoria is over, democratic Hungary is certainly going to be in for some bumpy times. Not as bad, to be sure, as those faced by Poland, but enough to cause serious concern. The rich Western Europeans will surely help, as they should. Unfortunately, the U.S. says it has only spare change for the East Europeans. Fully 50% of all U.S. foreign aid is now being gobbled up by Israel and Egypt. Apparently there's no money to spare to help roll back communism from East Europe.

Also distressing has been Canada's tepid response to events in Hungary. Brian Mulroney, it seems, is too busy preaching hypocritical nonsense about South Africa to note the renaissance of freedom and democracy in Hungary. Let this column, at least, offer the Magyars a grand, heartfelt toast.

fare state must be cut way back, inefficient state industries closed, and government spending slashed. The inevitable result will be rising unemployment, a fall in real incomes and severe social stress.

Hungary's \$22 billion foreign debt is another major headache. Like the Polish communists, Hungary's Marxists know that intense belt-tightening is inevitable. This will produce public outrage and anger. Voters everywhere are for austerity, so long as they are not affected. The non-communist parties that rule Poland and, most likely will run Hungary, will catch all the flak for doing the necessary economic dirty work. Then, the communists hope to re-emerge and win power with promises of more spending and social benefits — the same strategy followed by Canada's Liberals and NDP.

Borders will be another major problem. After World War I, the rapacious Allied victors took away fully one half of Hungary's historic territory. The largest part, Transylvania, was given to Romania. The two unfriendly neighbors are now at daggers drawn over this issue and persecution of Romania's large Magyar minority. Now that Soviet control has been largely removed, these disputes may flare violently. And what of the Soviet troops still garrisoned in Hungary?