In Land of 'Goulash Communism,' Hungarians Are Eating Well

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BUDAPEST, Aug. 4 — The foreigner who has a hard time finding a table in one of the many restaurants here may think that Nikita S. Khrushchev had a point when he praised "goulash Communism."

The Soviet Premier, during a visit here, meant to laud his Hungarian Communist party hosts for providing their people—then still numbed by the disastrous failure of the 1956 uprising—with material well-being in addition to ideology.

Today the good life of Budapest is not just all goulash and gypsy music either. Some of the Hungarian restaurant patrons come in their own cars and they expect more sophisticated fare and entertainment.

In Several Languages

A foreign mission chief here who knows his way around the Communist camp says: "Budapest has 80 decent restaurants, of which 50 are rather good—more than the rest of Eastern Europe combined, and this includes Moscow. If you know the chef and talk to him in advance he may whip up some very fine meals."

The long menus are in Hungarian, French, English, German and sometimes Russian, indicating that they will be studied by many foreign guests, especially now at the height of the tourist season. But a sizable part of the clientele of even expensive eating places are Hungarians.

"They're the élite," a waiter explained the other day. "Some people make a lot of money working for the Government as specialists. Some have large expense accounts and a few of the older patrons you see have managed to save some of their former wealth and live off the capital."

Not Cheap to Workers

To the tourist who gets 29 forint to the dollar, a 100-forint meal in a first-class Budapest restaurant seems cheap. However, the industrial worker, who may make 2,000 forint a month, or the secretary earning 1,200 forint a month, will not be able to afford many such meals.

Nevertheless, food stores and markets are well-stocked, and a few new super-markets have frozen-food shelves. Eating well is a national pastime. In Budapest's slow yellow streetcars there seem always to be more fat than thin passengers.

Economists say that the average Hungarian worker's family can indeed eat abundantly if it includes more than one wage earner and is willing to spend most of its income on food.

Many Budapest families do live on more than one salary because there's much moonlighting and many women work.

The Hungarian worker does not, however, work too efficiently. To raise lagging productivity, new economic reform legislation went into effect at the beginning of the year after long gestation in Communist party councils.

The reforms reintroduce the profit motive, previously spurned as capitalistic, into the operations of individual enterprises of the state-controlled economy. The reforms also give plant managers greater independence from central planners.

It is too early to say how the reforms will work out, but many Hungarians are afraid that they may result in higher prices, a rising cost of living and eventual inflation and also unemployment. Right now the country enjoys very nearly full employment, though wages are relatively low.

In its efforts to attain higher productivity, the regime has lately entered into business deals with Western groups. The most conspicuous embodiment of this new policy is the 360-room Danube Intercontinental Hotel now rising on the eastern bank of the river in the heart of Budapest. A link in the Intercontinental chain, the hotel is scheduled to open New Year's Eve, 1969.

It will be owned and operated by a Hungarian state-owned company, but construction is financed by a loan from a Swiss-based concern. One of the promoters is Cyrus Eaton Jr., son of the Cleveland financier, who was an early advocate of economic collaboration with the Communists.