

Output Up, Ideology Down, and Hungarians Find the Living Easy

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BUDAPEST, May 17—It was in Hungary, nine years ago that Nikita S. Khrushchev pronounced his idea of "goulash Communism," and it is here that satisfying the consumer appears to have been elevated to the principal goal of the movement.

As a result, more Hungarians now appear content with their lot, prosperity has grown and ideology receded and the materialist ideals that used to be denounced as symptoms of the moral inferiority of capitalism are being given ample rein and are eagerly pursued.

Privately owned cars clog the streets of Budapest and an occasional sports car can be spotted. The sports car is a status symbol, along with an Afghan hound or a tourist trip to Spain.

A Hilton Rises

A Hungarian-owned Inter Continental Hotel towers on the Pest bank of the Danube, while its Hilton rival is rising from a converted monastery on the Buda side.

West German businessmen are everywhere, Austrians pour across the border for cheap weekends, American tourists mingle with Soviet soldiers on weekend passes in the rebuilt streets of old Buda.

Italian youths have discovered the charm of Hungarian girls, and the young men arrive here by the carloads.

Families from Budapest are building simple country cottages on plots they have bought all the way from here to the resort area of Lake Balaton. Shops have sprung up in villages selling clothes, cosmetics and other consumer goods that the villages of Hungary have never known.

More Travel Abroad

Last year, according to Deputy Foreign Minister Janos Nagy, 1.2 million Hungarians traveled abroad. A request for a passport is rarely refused, even for a person known for his critical attitude, and defections have become rarer.

Official Hungarian journalists plead with Western colleagues not to write too glowingly about the state of their country so as not to bring this happy state to an end. It is fashionable among pro-Government liberals in the Communist countries to contend that the 1968 Soviet-led invasion of Czechoslovakia was at least in part provoked by overly favorable reports in the Western press.

Unorthodox Methods Used

However, a two-week visit that included scores of private conversations and official interviews provided no evidence that the considerable rise in prosperity for many sectors of the Hungarian population of 10.4 million and the emphasis on a nonideological approach to the solving of pressing economic problems has been accompanied by anything like the political and intellectual liberalization of Czechoslovakia before the invasion.

In the opinion of knowledgeable Hungarian and foreign observers, the Hungarian Communist party, in the 16 years of



A scene on Lenin Boulevard in Budapest. Young men from Italy recognize Hungarian girls' charm.

leadership by First Secretary Janos Kadar, has steadily pressed for the right to use unorthodox methods to raise the material well-being of Hungarians. At the same time the party keeps the Soviet Union assured that it remains fully loyal to Moscow and fully in control of all phases of life in Hungary.

Mr. Kadar has retained Moscow's confidence, even after Leonid I. Brezhnev succeeded Mr. Khrushchev, who installed Mr. Kadar after the Soviet Army put down the 1965 rebellion. Mr. Kadar has gained the right to internal reform also by total adherence to Moscow in foreign policy.

In addition, the Soviet Union can count on Hungary's loyalty because of her heavy dependence on Soviet sources of energy and raw materials for her industry and because of the more-than-symbolic presence of 40,000 to 50,000 Soviet troops.

Mr. Kadar's success in what all Hungarians know have often been painful negotiations with Moscow has gained him a rare degree of acceptance. Even the most critical Hungarians have refrained from personal criticism of the First Secretary.

Gains for New Program

Mr. Kadar's principal achievement has been his application and acceptance by the Soviet Union, of the New Economic Mechanism, an attempt to let the world of economics follow its own logic. Instituted in 1968, the program has raised productivity at a yearly rate of 6 percent, after a period of stagnation in which there were years for

of no increase at all.

Real income has grown significantly, along with opportunities to spend that income. Production of consumer goods was spurred initially by imports. Now, for instance, Hungary has stopped importing Italian knitwear but is turning out similar products on machines imported from Italy.

The essence of the New Economic Mechanism has been a lessening of central control over the work of each enterprise and sharp differentiation of salaries and wages on the basis of performance.

Predictably, the new system has somewhat unbalanced the egalitarianism of the period preceding its start because some groups benefit more than others. Ironically, the least favored have been the traditional heroes of Communist society, urban blue-collar workers.

An Unusual Phenomenon

The alliance of these workers and the most doctrinaire members of the party leadership has produced a new phenomenon in Communist practice: organized labor as a political pressure group.

Under the leadership of Sandor Gaspar, secretary general of the Central Council of Hungarian Trade Unions and perhaps

the most doctrinaire member of the party's ruling Politburo, this group has continually militated against allowing reform to go too far. It scored its greatest success in March, when the Government intervened to ease the imbalance by granting the blue-collar workers an 8 percent raise.

In contrast to the slower progress of industrial workers, the farmers, the managerial class, self-employed craftsmen and some white-collar workers have fared better. The economic liberalization has brought to the fore within Hungary a number of people with the trading shrewdness for which Hungarians abroad are highly esteemed.

The party press frequently complains about the growth of a highly profit-oriented class taking advantage of the limited entrepreneurial freedom that now makes it possible to amass considerable fortunes. "Appalling greed has become evident," a diplomat commented.

Many Acquire Real Estate

So many people have acquired sizable real-estate holdings that the Government has limited families to one residence in Budapest and one in the country. As a result, many properties have been "sold" to cousins or friends.

What makes Mr. Kadar's economic boldness possible, according to most observers, is that he can show Moscow he has no internal opposition that would take advantage of economic liberalization to strive for a loosening of the party's political hold.

This is particularly noticeable in the cultural sphere, which throughout the Soviet bloc is the principal outlet for carefully couched criticism or, at least, skepticism. Officials and ardent defenders of the Government assert that there is no censorship. This is true, others say, but

only because everyone knows how far he can go.

For the sake of relative freedom, hardly any writers go too far, because that is self-defeating and prevents publication. Few even venture to the edge of the permissible, because that spirit produces books that are published in very limited number, and even those will be hard to find in a bookshop. Such books are neither advertised nor reviewed.

The theater is equally "safe." A top hit this season is the rock musical "Imaginary Report From an American Pop Festival." It pays for being allowed to use the non-Socialist-Realist format of "Hair" with a crudely anti-American book drawn from a novel by Hungary's grand old man of letters, Tibor Dery. Its dominant assumption is that the lot of the black in America today is similar to that of the Jew in Hitler's Europe.

Painters and sculptors are free to work as they wish but find it almost impossible to show really individual work and they can sell it only privately to their friends. A European art festival has not been able to include Hungary because the Government refuses to send the artists the festival wants, and the festival is uninterested in the artists that Hungary proposes.

With the relaxation of East-West tensions removing an outside threat for the time being, Hungarians are confident that the continued stability of Mr. Kadar's Hungary is assured. But even a highly placed Communist concedes after his third glass of wine that his children do not seem to realize how much sacrifice has gone into providing the high degree of welfare available to all Hungarians today. They accept socialism simply because it

exists and works reasonably well.

Talks with officials about the depth of the Communist commitment of youth brings vague responses. Prosperity has given young people the same outward appearance as Western youth, and travel has brought them closer to those on the other side of the ideological boundary.

Dr. Laszlo Bodo of the National Pedagogical Institute, and Jenő Kovács, an official of the Communist Youth Union, held that although there were external similarities the spirit was different.

"It is easier to create material prosperity and give people enough to consume than to build socialism," Dr. Bodo said. And he and Mr. Kovács said that much ideological work remained to be done.

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