

## SMILES AND BULLS BLOOD

On February 4, 1984, *Nepszabadsag*, the daily paper of the Hungarian party, carried a remarkable picture on its front page of a smiling Margaret Thatcher in conversation with an equally relaxed Janos Kadar, the Hungarian party leader. That diplomatically successful encounter is now being replayed with Kadar's return visit here in early November.

Anglo-Hungarian exchanges have taken place on various levels for several years and relations between the countries are as warm as can be expected between two members of rival military alliances.

For Hungarians the desire for detente has always been maintained. A small country of only 11 million inhabitants with a unique language having neither 'western' Latin nor 'eastern' Slavic roots, Hungary makes a virtue out of its necessity of having to almost force itself into European consciousness whilst at the same time proclaiming loudly that it is an integral part of that consciousness.

Politically, in East-West terms, this results in the official Hungarian notion that small states, although not major actors on the cold war stage, can sometimes play an important role - perhaps as a bridge here, a sounding board there, or simply sometimes as the only means of communication available.

This is not to say that the Hungarian view is at odds with the Kremlin. On the contrary, only at the end of September Janos Kadar was in Moscow for talks with Gorbachev. An official Tass statement at the time reaffirmed each country's readiness 'to improve the political climate in Europe . . . and revive detente in state-to-state relations.'

It would be equally false to conclude that Budapest simply reflects the Moscow position in all things. Although it is common currency these days to point out that the new Soviet drive for economic efficiency finds a



Janos Kadar, First Secretary of the Hungarian Socialist Workers' Party.

welcome response in Hungary, it has to be said that Hungary's own economic reform process stretches back almost to the days of Khrushchev and has survived irrespective of whatever economic policy was being promulgated in the Kremlin.

Not surprisingly it is the economic situation which provides a backcloth to the current Anglo-Hungarian diplomacy and Kadar's visit. Hungary is a trading nation *par excellence*. Fully 50% of her national income results from foreign trade, half of which now takes place with non-Comecon countries.

Debt problems following the oil crisis of the 70s hit Hungary like other Eastern countries. But unlike other countries, Hungary managed to maintain good credit worthiness and is now a fully integrated member of such 'Western' institutions as the World Bank and the IMF. Nevertheless the necessity of earning hard currency is still paramount and the British connection in this regard certainly needs cultivating as Britain lags way behind

Hungary's other major Western trading partners such as West Germany and France.

A drive is under way to increase exports to Britain, exemplified by what has become known as the 'Bulls Blood Initiative.' Bulls Blood wine from Eger in Hungary has long been available in Britain at a relatively cheap price. The Hungarians, believing it was underpriced in relation to other quality wines, sometime ago raised the export price by 30-40%. The result in Britain has been an increase in sales of 100%! (Though this perhaps reflects as much the snobbishness of the wine market as the cannyness of Hungarian exporters.)

Perhaps it is no accident (as they say in Eastern Europe) that shortly following Thatcher's visit to Budapest a major Hungarian trade exhibition opened in London, and that coinciding with Kadar's visit here a month-long festival of Hungarian arts (one of the biggest staged anywhere) has been underway in Glasgow.

Still, British exporters can look forward to some benefits too. The 1985 Hungarian plan envisages an increase in imports for the first time in years. It is probably with this in mind that Britain's computer firm ICL has just moved into offices in the newly opened International Trade Centre situated on Budapest's fashionable Vaci Street. 'There are exchange control problems, but we are confident of good business', said sales manager, Hedley White, interviewed on Radio Budapest recently. Mr White might be able to take some comfort from the fact that there is much talk currently of making the Hungarian forint convertible on the international money market.

This month's smiles from Margaret Thatcher and Janos Kadar will certainly provide more front page copy for *Nepszabadsag*. But behind those smiles there'll definitely be a hope that the bells on the cash tills will soon be ringing even louder.

Bob Dent

Inaugural meeting of the

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Details from: SER 1985, c/o JMW Tomlinson, Economics Dept, Brunel University, Uxbridge, MDDX 1UB 3PH