

MARCH FOR HUNGARY

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For some time now Hungary's economy is suffering from the aftershocks of a mortgage disaster created by insufficiently regulated foreign financial institutions operating within the country. The makings of this disaster followed closely the script of the below-prime, toxic mortgage story in the U.S. But in Hungary the story had an added twist: hundreds of thousands were coerced into opting for financing in Euro and Swiss Francs. The double jeopardy of increasing interest rates and arbitrary downward pressures on Hungary's currency, the forint, is ruining tens of thousands of Hungarian families economically.

As if the people's problems were not serious enough, there came the reports in the international media, claiming that Hungary, on the brink of financial collapse, is begging for cash from IMF and the EU. These amounted to noting more in ruth than blatant exaggerations. *Hungary was neither on the verge of imminent financial collapse nor was it asking for cash from anybody.* The Hungarian government simply tried to gain the protection of IMF and EU to defend the value of the Hungarian forint against attacks by false reports and international profiteers.

Another complication came to the surface in the response of the IMF and EU officialdoms to Hungary's request for protection. Hungary was presented with, now I can say with certainty, poorly thought out, insolently delivered take-it-or-leave-it no-further-discussion type conditions, packaged in the most arrogant, talking-down type, denigrating utterances. As if these did not make a bad situation worse, all around, there was yet another decision to come. The freshly installed head of IMF Christine Lagarde pushed the decision deadline months into the future as if time was not of an essence in Hungary's efforts to stop the forint's bleeding.

What were the main conditions which IMF and EU were trying to push down the throat of Hungarians was in generic terms the blueprint that

they were applying to other members of the Union, including more austerity and change of specific laws. The requests:

More austerity for an economically suffering public. This already ignited perpetual, destructive riots on a massive scale in several countries of the EU, and Hungary had a strong and effective austerity program running which started to show positive results. Hungary was certainly on the right economic path with its deficit stabilized on the acceptable levels around 3+ % and it was in an economic recovery mode. It had to solve the mortgage fiasco without having to throw thousands of families onto the streets in all parts of the country. I don't even want to think of the consequences if Hungary bent to the austerity condition. The Hungarians knew a better solution, but the officialdoms did not listen.

Rewrite of sections in the Constitution of Hungary. The document in question is the very first totally indigenous basic law of the Country since the "Aranybulla" adapted way back in 1222 following the original King István's 1001 constitution in most details. What is very important for any officialdom is to know the limit, not to go overboard with such potent political requests, if they do not want to have full fledged revolutions on hand. The Constitution of Hungary is truly the peoples' constitution, written by the people for the people of Hungary. The peoples' participation was made possible by way of more than a hundred thousand written submissions and by many public discussions. The people are proud in what they created and see no reason to change anything in it. And as usual even if it were not for the peoples' resistance, I do not see the importance of the specifics in the requests. I suggest that the faces on this – Christine Legarde, Angela Merkel or Nicolas Sarkozy -- really did not do their homework and fell for superficial analyses by underlings.

Remove all regulations that limit the freedom of the press. The Hungarian government says there are no such regulations. And I tend to agree. What I see is what most nations' truthful information laws

require: those disseminating information to the public should do their homework and report facts.

The MF and EU issued the conditions with *a priori* rejection of compromise. The blatant arrogance did not impress the Hungarian people. The Hungarian Prime Minister Victor Orbán speaking to the Strasburg Parliament had a sharp response. What Orbán said in Magyar I try to paraphrase extemporaneously in English: *The IMF and EU conditions lack the weight to induce me to band to them* [IMF and EU]. And how right he was, in the reflection of events that came next.

In time at this point we are just before January 21, 2012, on the sat which changed Europe by the momentous events in Budapest: the march of at least 400 000, possibly up to a million free people. They marched in civility and peace to show their support to their government, and above all, to show trust in their new Constitution. As I read it, the message of the marching hundreds of thousands hit home to the IMF and EU officialdoms and energized the people of other member countries who were already crying German and French neocolonialism.¹

Before proceeding to the next section, the reader should consult BBC's interview with George Soros at Davos and the BBC report on Christie Legarde's statements also in Davos. The relevant URLs include <http://www.bbc.co.uk/news/business-15462262>) and <http://www.bbc.co.uk/news/business-16771939> on the Internet.

The Hungarians take exceptions to other things as well. They know that Germany has special privileges, only one other country has, France, in the Union. This was kept a secret for the sickening reason of not to

¹ I try to summarize the Hungarian people message to EU leaders, and to all others of similar intents, but interest to keep EU alive:

1. Do not mess with other peoples' laws. You do not want to mess with yours.
2. Know the limit. Do not use your power to push people into desperation. Do not lightly make decisions. Hasty, poorly thought through demands on people ignite revolutions.
3. Stop insulting people with arrogant, imperial talking down to their leaders. Do not use the term "demand" to order people to do things they do not want. When Merkel used the phrase "force Hungary back in line" the poor lady changed radically how Hungarians attitude for Germany as a trusted friend and ally.
4. Be good public servants of the EU. Do not talk down to any nation. You are masters to none.

undermine the power of their leaders as EU's "enforcers".² It is known also that Germany is the only country profiting from Europe's financial crisis.³ But they did not expect the "enforcers" to be so inept to issue orders to other member nation that would ignite massively destructive riots in the Southern countries and a fractioning of EU. These and many other bad experiences had their effects. The citizens of Hungary rose up, one more time, at this time in peace, to tell all in even the deepest caverns of the IMF and EU officialdoms to see the light and conduct their business to strengthen the Union, not to undermine it. They rose to demand a change of direction: deemphasize austerity, emphasis incentives, and most important, treat the peoples of all member nations with utmost respect as their civil servants and not as their rulers.

I am convinced that the January 21 March and the sober analysis of George Soros concerning the EU's recovery policy, were very much instrumental in forcing a watershed in the direction that IMF and EU appear to have adopted. It is now accepted widely within the EU members that the imposition of more austerity and rewrites of laws, or in a more broader context, the imposition of solution that are alien to the people of a member country, is not the way to go. The very recent turn of events at IMF and EU -- after the March, the Davos conference, and the meeting of EU's Council -- must be satisfying for Hungarian Prime Minister, Victor Orbán, seeing that finally what he advocated all along becomes, if only in part, the policy of the Union.

The old policies - pushed by Christine Lagarde, Angela Merkel, and Nicolas Sarkozy with support from Hillary Clinton, the US Secretary of State - are proven plain wrong and have to be abandoned. But nothing less will regain the respect of the peoples toward the EU and IMF

² Romano Prodi, once a high official in EU, says he was prevented from fining France and Germany for breaking Euro rules. According to Prodi the view was that, ok, if the big boys won't adhere and impose discipline on themselves, they're going to be more relaxed in enforcing the treaty on us [the Italians] -- <http://www.bbc.co.uk/news/world-europe-16761087>

³ Friedman's analysis on BBC-- <http://www.ihavenet.com/World-Europe-Visegrad-A-New-European-Military-Force-Stratfor.html>.

leaders than a truly substantive change of direction. If the peoples do not see tangible change they will resist. The people of Hungary and the sister nations – the Slovaks, the Czechs, the Polish and others, North and South - know it full well that submission to irresponsible demands issuing from foreign leaders, and especially from a German Chancellor or a French President, hold the danger of opening the floodgates of neocolonialism.⁴

The imperial declaratory approach of IMF and EU politicians, completely replacing open and civil conversations, the level of chaos in the Strasburg Parliament, and the continuing new revelations of behind-the-door events, came as the last straw on the camel's back for the Hungarians. The people's feelings of being pushed around by inept politicians from outside Hungary, started to bear their bitter fruit: the people are seeing IMF and EU as symbols of arrogance, ill will, and neocolonialism. What is important here is not the validity of such labeling of the IMF and EU officialdoms, but the fact that a group of inept IMF and EU leaders made the people of Hungary to think of IMF and EU that way.

The discontent with EU's current officialdom and its unenlightened governance style - including the ill-mannered practice of arrogance and cynical disrespect for member nations – is not just a problem faced by Hungary! The dark specter of distrust, offended prides, forced uncertainties, lost directions, inequalities in carrying the economic burdens of change by all people in the Union, and lack of sufficient controls on profiteering financial institutions, now blanketing Europe and may destroy EU in a colossal implosion.

EU's governance is so bad and the governance practices are so distorted that I myself would not wager a Hungarian forint on EU's survival,

⁴ Hungary had the Ottomans, and Habsburgs, Germans and Soviets dictate to them, and all by bearing down on Hungary with military might upon. They must not let another as yet unidentifiable power to get into the position that history would repeat itself. It is no wonder that the dangers lurking in the labile position of Germany as a continued EU member, and the ongoing slow but definite restoration of German strategic links with Russia, are observed by Hungary and the other member countries of the Visegrád group with increasing concern.

unless: the runaway German-French influence is checked, the EU rules apply equally to all, equality of nations is guaranteed, and the governance style is changed. My conclusion that none of the above will happen may have a taste of doom. Perhaps it does. In any case, the march of the people in Budapest heralds the dawn of a new era. Let us hope it will be better than the present.

What is the lesson from all of these for Hungary? The country must keep at arms length from the international predators, financiers or politicians. The government should not mess up and it will not have to call on the predators for help.