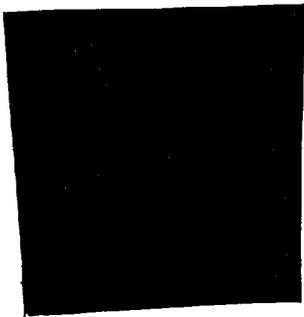


2. THE SITUATION IN HUNGARY (information as of 0200 EST)

Comment on:



Reports from reliable eyewitnesses in Budapest indicate that as of 1400 (Budapest time) on 30 October Soviet forces were withdrawing from the city, but apparently only to the outskirts. At noon Soviet tanks withdrew from the Kilian barracks, which were still occupied by armed nationalist insurgents. Later in the day, at 1820 hours, the Hungarian defense minister announced that agreement had been reached with the command of the Soviet forces in Budapest that all Soviet troops in the city would complete their withdrawal by dawn of 31 October. The job of maintaining order, according to the announcement, would be taken over simultaneously by certain units of the Hungarian army, the police, and the national guard.

On the other hand, the American army attaché in Budapest, referring to Shepilov's statement of 29 October that "no Soviet units have arrived in Hungary in the last 24 hours, in fact last 64 hours," observed that a Soviet column was seen arriving in Budapest at 1100 hours on 30 October, with obvious signs of a long trip. Numerous reports of reinforcements by large Soviet forces over the Czech-Hungarian border are not borne out

Coincidental with these developments came the announcement of the formation of the Revolutionary Military Council of the Hungarian Army. This council stated it approved all the demands that had been made on the government by the workers' councils, that it had decided to disarm immediately those secret police formations which still remained armed, and that it had dismissed a number of high officers including General Toth, armed forces chief of staff, and Generals Hazai, Hidvegi

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[REDACTED]

and Szabo. Later announcements indicated that the council would be responsible for maintaining order in Budapest and throughout the country.

The announcement that the Soviet troops would be withdrawn from Budapest contrasts with the earlier Soviet statement that the insurgents in the city must lay down their arms prior to any Soviet evacuation of the city. Although Premier Nagy's attitude has been vacillating in regard to this question, he clearly implied on 30 October that the insurgent forces in control of the provinces should retain their arms. He added that he expected these forces to become part of the regime's newly organized national guard.

There are still no clear indications from any source whether and how soon Soviet troops may be withdrawn from Hungary. In a speech the afternoon of 30 October, however, Nagy repeated an earlier statement that he was negotiating this question with the USSR. Moscow's announcement on 30 October that it is "ready to enter into relevant negotiations . . . on the question of Soviet troops in Hungary" suggests that agreement may be reached soon concerning this matter.

The announcement by Nagy last night that "the Revolutionary Military Council shall operate until the new government to be formed through general and secret elections takes office" meets the other major demand of the insurgents. Along with the announcements concerning the withdrawal of Soviet troops from Budapest, it suggests that the Nagy regime is moving toward complete capitulation to the rebels.

Earlier in the day Nagy revealed that the one-party system in Hungary had been abolished and that a coalition government consisting of representatives from the Communist Party and from the other parties existing in 1945 (presumably the Smallholders, National Peasant, Citizens' Democratic, Radical and Social Democratic) would be formed.

[REDACTED]

An appeal was issued simultaneously for the reorganization of these parties.

Later Budapest announcements stated that the Social Democratic, National Peasant, and Smallholders parties had re-formed in Budapest. If the Social Democrats should join the government it would be a clear indication that the Nagy regime has given in completely to rebel demands. So far, Nagy has been unable to gain Social Democratic participation in his government because of unwillingness to satisfy their demands.

Unity of purpose among the rebel forces-- who have no central authority and who remain only in tenuous contact with one another--appears to be confined largely to the question of Hungarian independence and the need for an immediate Soviet troop withdrawal from the entire country. Since actual fighting in the countryside apparently has ceased, and since the present moves of the Nagy regime may have caused some confusion among the rebel groups, political maneuvering is probably already under way between various insurgent factions, particularly between Communist and non-Communist elements. The Communist insurgents apparently retain their confidence in Nagy--insisting, however, that he must implement his promises before they will actively support him--, but non-Communist rebels probably remain suspicious of both Nagy and his intentions. [REDACTED]

[REDACTED]

5. SOVIET DECLARATION ON RELATIONS WITH THE SATELLITES

Comment on:

[REDACTED] The Soviet government's declaration of 30 October on relations with the Satellites is an attempt to regain a position from which the USSR can begin to exert control over the too-rapid development of Satellite independence without compromising its self-initiated "liberalization" program. The declaration attempts to cancel out the serious loss of prestige and leadership which the USSR has suffered, both within and outside the bloc, because of events in Hungary and Poland.

In a key paragraph, the declaration emphasizes that Soviet units are stationed in Hungary and Rumania under the authority of the Warsaw pact, and carefully establishes that Soviet troops in Poland are there on the basis of the Potsdam four-power agreement as well. East Germany and the Soviet forces there are pointedly omitted from the statement, a tacit reaffirmation of the Soviet position that withdrawal of any of these troops is dependent on withdrawal of Western forces from Germany, US forces from Europe, and a change in the orientation of West Germany.

While the declaration holds out the promise to the Satellites of greater internal independence in economic affairs and withdrawal of Soviet advisers, it also places great emphasis on the Warsaw pact as a unifying system necessary to protect and maintain Communist control. In stating that it "is ready to examine with other socialist countries" the stationing of Soviet troops on their territory, the declaration asserts that this should take place only with the agreement of the state concerned as well as agreement between participants in the pact. In its specific references to the Hungarian situation, the statement also implies that withdrawal of Soviet troops is subject to negotiations with "other participants of the Warsaw treaty" as well as the local government. [REDACTED]

[REDACTED]

6. TITO URGES HUNGARIANS TO SUPPORT NAGY

[REDACTED] Tito, in a letter of 29 October addressed to the Hungarian Communist Party, calls for the Hungarians to stop further bloodshed. He says that the recent measures taken by the Hungarian leadership show that the policy of the Hungarian party and government and the "genuine socialist aspirations of the Hungarian working people have been merged into one."

Tito regrets the "wrong and harmful policy" pursued by the past Hungarian regime which produced the present crisis, but calls on the Hungarian workers to avoid "undermining the faith of workingmen in socialism and the essential development of socialist democracy."

The letter says the Yugoslav leadership does not wish to interfere in the internal affairs of Hungary, but out of a feeling of solidarity with the "progressive socialist aspirations" of the Hungarian people, appeals to the people to make every effort to end the struggle, "which could have unforeseeable consequences not only for Hungary but for the international labor movement."

Comment

Tito's remarks closely parallel the line now being pushed by the Nagy regime itself as well as a Polish statement to the Hungarians sent by Gomulka and Cyrankiewicz.

The Yugoslavs are apparently worried lest a continuation of the present Hungarian rebellion lead to either a non-Communist government in Hungary or to Soviet imposition of a Stalinist-type regime. [REDACTED]

[REDACTED]

7. WESTERN EUROPEAN COMMUNIST REACTION TO HUNGARIAN REVOLT

Comment on:

[REDACTED] Communist reaction in major Western European countries to the Hungarian revolt ranges from rigid support of Moscow by the French to an increasingly anti-Soviet position in Italy.

The American embassy in Paris reports that on 29 October the French Communist press surpassed itself in defending the Soviet Union and gloating over the "defeat" of the insurgents.

The London Daily Worker, on the other hand, has walked a tight rope in both abhorring the "necessity" for the intervention of Soviet troops against the counterrevolutionaries and in speaking of the Hungarian workers' "just demands."

The official Italian Communist Party paper Unita has abandoned its earlier support of the Soviet line blaming counterrevolutionaries for the violence. On 29 October party leader Togliatti criticized Hungary for its failure to develop its Communism on an adequate national base and to make reforms quickly enough. The leadership of the Communist-dominated labor organization and the fellow-traveling Il Paese have condemned Soviet intervention in Hungary. [REDACTED]