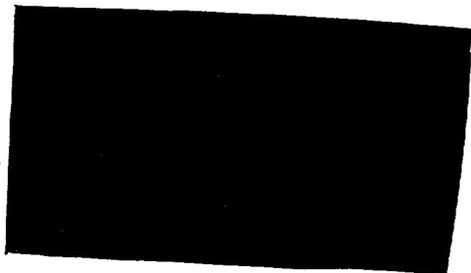


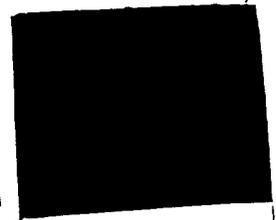
6
8

Copy No. 6

Status Report on Hungary given by the Director
at the White House to a bi-partisan Congressional
group, 9 November 1956.

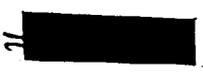


663



Approved for Release
Date

SEP 1987



43

9 November 1956

TRAGEDY IN HUNGARY

- I. Since the so-called thaw in the Soviet Union, Moscow has been playing a dangerous game with its Eastern European Satellites.
 - A. After World War II, the USSR installed Communist regimes in a belt of Satellite states, and insisted on Satellite loyalty to Soviet foreign policy and Satellite contribution to Soviet economic and military aims. Under Stalin, it enforced this policy with an iron hand, through local Communists backed by the presence or threat of Soviet military force.
 - B. About a year ago, Moscow began a program of cautious "liberalization" in the Satellites in line with the general "de-Stalization" in the USSR and the so-called "peaceful coexistence" policy.
 - C. This involved risks because people in most of the Satellites, especially Poland and Hungary, are still overwhelmingly anti-Soviet and anti-Communist.

- [REDACTED]
- D. The first serious sign of trouble came at the end of June in the Poznan riots for "bread and freedom."
 - E. This situation we recognized as explosive. Our evaluation of the situation dated 21 August 1956 said:

"Even though the Kremlin is assumed to intend retaining real control over the Satellites, recent more flexible policies have set in motion certain social and political trends toward independence, personal freedoms, and representative governments which may become irreversible, short of forcible repression."

II. This explosive situation began to rumble ominously in Poland on 19 and 20 October.

- A. Gomulka, a tough Communist but a nationalist Communist rather than a Moscow stooge--a man who had been purged by Stalin--came to power. He denounced the bad economic conditions in

[REDACTED]

Poland, particularly in agriculture, mining, and housing, and implied that the Soviets and Communist bureaucratic inefficiency were to blame.

- B. His program--which was very popular--called for "equality" and "national independence" for Poland, plus political "democratization."
- C. Khrushchev flew to Warsaw and flirted with the idea of crushing Gomulka and his supporters with military might. (Later a Soviet leader said the USSR could have crushed them like flies but showed great restraint.)
- D. Despite the strong anti-Soviet overtones of the popular demands, Gomulka insisted his regime was loyally Communist and friendly to Moscow.
- E. The Soviet Union decided to play ball with Gomulka, appeasing Polish national sentiment in order to keep Poland in the bloc.

III. The powder train set fire by Poland's successful bid for "independence" spread to a powder keg--Hungary.

- A. We had long known the Hungarians were violently dissatisfied with their Communist

[REDACTED]

regime, its subservience to Moscow and the economic mess in the country.

- B. Rakosi, a hard-line Stalinist, was sacrificed by Moscow in July, probably to please Tito. His successor was another Moscow stooge-- Gero.
- C. National Communists still kept pressing for a more "liberal" political and economic line. We had many intelligence reports indicating development of this move away from Moscow.
- D. A surge of popular anti-Soviet, anti-Communist feeling in Hungary arose within a few days of the Polish defiance of Moscow.
- E. Thus the Hungarian revolution began on 23 October.

IV.. The revolution started with peaceful but highly emotional mass demonstrations by students, laborers, white-collar workers and off-duty troops.

- A. Organized to show support for Polish leader Gomulka's defiance of the USSR, the demonstrations led to a demand for the return of Nagy, a "national Communist," and the withdrawal of Soviet troops.

- [REDACTED]
- B. The demonstrations became violent during the night of 23 October and.
 - 1. security police clashed with the crowds.
 - 2. the Hungarian leadership panicked, called in Soviet troops, and announced a government and party reorganization with Nagy as premier.

 - C. Open fighting between Soviet troops (elements normally stationed in Hungary as well as some from Rumania) and "insurgents" continued in Budapest.
 - 1. A Soviet massacre of unarmed demonstrators in Budapest on 24 October intensified the bitterness of the nationalist opposition. Fighting continued for four days and
 - 2. the losses were heavy on both sides.
 - 3. statues of Stalin, Russian symbols such as the hammer and sickle, and Soviet bookstores were destroyed.

 - D. The fighting spread into the provinces. Most of the Hungarian army joined the insurgents.
 - 1. Revolutionary councils composed of both Communists and non-Communists formed in all regional areas.

[REDACTED]

V. By 1 November, an uneasy coalition between the multiple "revolutionary committees" and the Nagy regime took over, with the revolutionaries clearly having the upper hand.

A. Nagy promised to meet more and more rebel demands.

1. Initially he granted "liberal" Communist demands for increased living standards and a greater role for the workers.

2. As certain demands were met, additional ones were levied by the regional revolutionary councils and by forces within Budapest.

3. Nagy promised an end to security police, immediate negotiations for a Soviet troop withdrawal and a virtual "declaration of independence."

B. In addition to the basic demands--Hungarian independence and a Soviet troop withdrawal--an increasingly large number of insurgents called for:

1. An end of all symbols of Soviet control and their replacement with national symbols, for example the Kossuth coat-of-arms.

- [REDACTED]
2. the liquidation of the Communist security and secret police.
 3. a coalition government.
 4. free elections, and
 5. freedom for Cardinal Mindszenty.
- C. Nagy--under continued pressure from all forces--had promised all these demands by 30 October, although dodging the date for the Soviet troop withdrawal and the date for free elections.
- D. Nagy--by 30 October had pledged what appears to be the absolute limit allowed by Moscow in a "national Communist" state.
- E. On 30 October Moscow announced a policy favoring "liberalization" in the Satellites and offering to negotiate the withdrawal of Soviet troops from Budapest.
1. The USSR admitted past errors in handling the Satellites and
 2. stressed co-operation among the "commonwealth" of Communist countries. It seemed that the patriots had won.
- F. In Hungary, in face of this conciliatory Soviet policy, the non-Communist elements

[REDACTED]

continued to grow in strength at the national and regional levels.

G. On 1 November Nagy went past the point of no return:

1. He declared Hungarian neutrality and asked for UN protection.
2. At the same time Nagy announced unilateral Hungarian withdrawal from the Warsaw pact.
3. The revolutionaries controlled large areas of the country--despite the presence of Soviet troops--and Nagy was committed to policies, which, if implemented, would have established a neutral and non-Communist state.

VI. The Soviets were faced with two alternatives: accept the situation or suppress the Hungarian nation by military means. At this precise time, the Anglo-French ultimatum to Egypt captured World attention. The Soviets decided to crush the revolution. (Who knows if a Soviet leader or two lost position or power as a result of this fateful decision?)

- [REDACTED]
- A. Soviet troops began to maneuver within Hungary, cutting off the Austro-Hungarian border, circling Hungarian airfields, and surrounding Hungarian cities and military units.
 - B. All the while, negotiations sputtered along over the withdrawal of Soviet troops from Budapest and subsequently from Hungary.
 - C. At dawn on 4 November, Soviet units jumped off--attacked Budapest and other cities.
 - D. Hungarian military leaders were arrested in the middle of negotiations with the Soviets for the withdrawal of their forces.
 - E. By 0800 that morning, the Soviets had seized most of Budapest and captured Nagy and several other ministers. Resistance continued, however, and as late as 9 November, fighting continued in several regional areas.
 - F. The new Hungarian regime--"Workers and Peasants Revolutionary Government," under Janos Kadar--was proclaimed by the Soviets simultaneous with their attack.
 - G. Soviet troops stationed in Hungary prior to hostilities totaled 27,000 men (two divisions).

[REDACTED]

When hostilities began, these had been increased to approximately 200,000--elements of seven divisions--by Soviet troops stationed in Rumania and the USSR.

H. Soviet repression has been ruthless and brutal. Atrocities have been reported.

1. According to unconfirmed reports, a number of Hungarian rebels--treated as prisoners of war--are being deported to the USSR.

2. Officials of the American legation in Budapest witnessed the Soviet slaughter of women and children. The legation reports that despite protests of Western diplomats, Soviet troops burned down a children's clinic while storming one rebel stronghold.

VII. Although the new Communist government in Budapest claims it is going ahead with "liberalization" and independence on the Gomulka pattern in Poland, it is clear that the regime rests entirely on Russian bayonets.

In essence, the Soviets have lost a Satellite and acquired a conquered province. They will almost

[REDACTED]

certainly have to run it by a military government for want of enough Hungarian Communists sufficiently traitorous and sufficiently daring to do the job. Large-scale transportation of elements of the population to central Asia, as took place in Baltic republics, is possible. And the suffering of the surviving Hungarian people this winter as a result of the destruction and breakdown of all normal government and economic functions (already half-wrecked by Communist mismanagement) will be intense.

VIII. In Europe outside Hungary, the most telling effects have been the destruction of the myth of "peaceful coexistence" and the "new era" of sweet reasonableness on the part of the Kremlin. The hopes that grew for a year and a half after the Austrian peace treaty and the Geneva conference have been rudely shattered, according to reports from most European and some Asian capitals. Communist Party members in Western Europe are tearing up their cards. In Paris, the party headquarters and the office at its newspaper (L'Humanité) were gutted. Woolly fellow-traveler Nenni in Italy, prone to collaborate with the Com-

[REDACTED]

munists, are denouncing them. Also the Daily Worker in New York.

As for the Satellite armies, the Soviets now know that after ten years of investment, they are as likely to fight against them as for them. Thus the line in Europe is sharper than ever before: on the east--naked Soviet-Russian military might; on the west--far greater awareness of the realities of the Communist menace; and the present Soviet regime has taken off the mask.