

SECRET NO FOREIGN DISSEM

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GENERAL SURVEY CHAPTERS

COUNTRY PROFILE Integrated perspective of the subject country • Chronology • Area brief • Summary map

THE SOCIETY Social structure • Population • Labor • Health • Living conditions • Social problems • Religion • Education • Public information • Artistic expression

GOVERNMENT AND POLITICS Political evolution of the state \circ Governmental strength and stability \circ Structure and function \circ Political dynamics \circ National policies \circ Threats to stability \circ The police \circ Intelligence and security \circ Countersubversion and counterinsurgency capabilities

THE ECONOMY Appraisal of the economy • Its structure, agriculture, fisheries, forestry, fuels and power, metals and minerals, manufacturing and construction • Domestic trade • Economic policy and development • International economic relations

TRANSPORTATION AND TELECOMMUNI-CATIONS Appraisal of systems • Strategic mobility • Railroads • Highways • Inland waterways • Pipelines • Merchant marine * Civil air • Airfields • The telecom system

MILITARY GEOGRAPHY Topography and climate * Military geography regions * Strategic areas * Internal rou'es * Approaches: land, air

ARMED FORCES The defense establishment • Joint activities • Ground forces • Naval forces • Air forces • Paramilitary

SCIENCE Level of scientific advancement • Organization, planning, and financing of research • Scientific education, manpower, and facilities • Major research fields

This General Survey supersedes the one dated May 1969, copies of which should be destroyed.



Country Profile:

HUNGARY

Revolution or Evolution?

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 - Communist Politics, with a Small Difference
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NO FOREIGN DISSEM

Magyar arise, the homeland calls Now or never, the hour falls! Will we be slave or free? To this what will your answer be?

We swear, we swear that we will no longer be slaves!

From the Nemzeti Dol (National Song) by Sandor Petofi (1848). Used as a rallying cry in the revolts of 1848 and 1956.

The Hungarian nation would have perished long ago if its political wisdom had not succeeded in preserving it ... It is very characteristic ... that by giving up the battle it has in fact consolidated its position and its opportunities in Europe... The whole existence of this people has been a series of lucid compromises and an uninterrupted meditation on its actual possibilities.

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On the Hungarian Character, Mihaly Babits, 1939.

Revolution or Evolution? A Hungarian Dilemma

With almost cyclical regularity hardheaded realists and romantic nationalist firebrands have alternately dominated historical events in Hungary. Through centuries of foreign subjugation the Hungarians have proved to be reluctant and rebellious subjects, and a general pattern of repression-revoltreform-repression has characterized their national experience. The decade of the 1960's was a period of orderly reform, and the Communist regime in Budapest rode a tide of political stability into the early 1970's. Whether this situation lasts or declines into more repression and turmoil will depend largely on how well the leadership adjusts to new challenges and whether it can continue to deliver on its promises of a better life through g-adual and pragmatic reforms. (U/OU)

Throughout history, the Hungarians have been the victims but also the ultimate beneficiaries of their circumstances. Originating in northeastern Europe and during their prehistory subject to considerable Turkic influence, Magyar tribes settled in the Danube River basin toward the end of the ninth century. As a small non-Indo-European people surrounded by hostile Slavic nations who were in turn at odds with their Germanic neighbors, the Hungarians became pawns in nearly all of the military and diplomatic struggles that have disrupted central Europe. The Turks, Habsburgs, Nazis, and finally the Soviets established themselves, in turn, as Hungary's "protectors" and sponsored Hungarian political leaders who would give them loyal service. (U/OU)

But Hungary's misfortunes were also a source of inner strength. They helped hone a special brand of nationalism and developed over the centuries a determination either to seek compromise with superior power for the sake of national existence, or at times to take up arms—even though facing certain defeat—for the sake of national identity. The Magyar people, despite repeated invasions and attempts at ethnic assimilation, have maintained their national identity and a high degree of cultural and ethnic integrity. In the end, the foreign powers that have successively denied Hungary's elusive dream of true national independence have had to rely on military force to maintain their hegemony. (U/OU)

On the scale of Hungary itself, the Magyar record of military defeats and futile revolts is a bleak one. But on the larger European scale, the Magyar willingness to rise united against a stronger overlord has helped to shape the relations between one or another dominant central European power and the weaker nations in the area that it sought to subjugate. For the Soviets in 1956 as for the Habsburgs in 1848 the use of military force to crush Hungarian revolts has had this effect. The 1848 revolt against the Austrians was crushed with critical assistance from Russia, but it so boldly dramatized Austrian misrule that the ensuing period of reforms led directly to the Great Compromise of 1867. It gave Hungary nominal equality with Austria in the Empire and almost total autonomy in domestic politics. The 1956 revolt against the Soviets similarly dramatized the evils of Stalinist imperialism in Eastern Europe. It set off a series of changes in the Soviets' relations with its satellites in Eastern Europe which in the early 1970's has still not run full course. (U/OU)

The impact of 1956 on the Hungarian-Soviet relationship has been massive. Efforts to recreate Hungary in the image of a small Soviet republic, following the same political formulas Moscow uses to rule its citizens, have ceased. Since early in the 1960's, Janos Kadar, the party leader imposed on Hungary by the Soviet Red Army in the wake of the revolt, has charted an evolutionary course. While remaining true to the fundamentals of Marxist-Leninist ideology and strengthening the "socialist" character of Hungary, he has recognized and met to some extent the demands of his nation for a more humane, more Hungarian, form of communism. (U/OU)

The range of these compromises is wide. The reform of the economic structure, the more "liberal" cultural policies, the muted role of the secret police, and the wider array of consumer goods available to Hungarians represent some of Kadar's more visible improvements. They are appreciated by the vast majority of Hungarians, whose attitude of quiet compliance has helped Kadar achieve since the early 1960's a record of stability unequaled in Easter. Europe. Kadar has gone even further, promising gradual political reforms, a few of which he has already introduced in watered-down form. (U/OU)

Continued peaceful evolution will, however, depend on Kadar's ability to establish for his regime a more solid basis of support among the population. His acceptance clearly is conditional. The Hungarians know that the price Moscow ¹ is demanded of Kadar for permission to plot domestic reforms is to keep the domestic situation on an even keel and to give loyal support to Moscow's foreign policy positions. And they also suspect that the Kremlin leaders may someday decide that the reforms are unacceptable. They doubt that when that time comes Kadar would, or could, effectively fend off Soviet demands for tighter orthodoxy in Hungary. (U/OU)

Kadar, like other Hungarian leaders before him, has not found a means of controlling nationalism and transforming it into a creative force. He and his lieutenants have opted instead for a sterile policy of dampening almost all nationalist expression. This hypercaution is unpopular with Hungarians of all political persuasions, including significant numbers of Communist party members. Young people especially are materialistic and are beginning to show signs of disaffection with the compromises their parents have had to make to secure any semblance of a decent standard of living. Nationalism bordering on chauvinism is a traditional alternative for Hungarians in the absence of other guiding spiritual ideals-ideals that communism, despite its philosophical pretensions, has not been able to instill. (U/OU)

One of the main factors that has helped Kadar keep down Magyar nationalism since 1956 has been the older generation's sense of "no alternatives." They realize that Hungary's options are frozen by the political and military balance in postwar Europe. For them, especially, the Soviets' use of military power against the Dubcek reformers of Czechoslovakia in 1968 reinforced the memories of what Moscow did to Hungary in 1956. (U/OU)

The Hungarians, with their small numbers and shortsighted antipathy toward most of their neighbors, may well be doomed to continuing to exchange one foreign "protector" for another and to engage in bloody demonstrations of their patriotism as the only safeguard against national extinction. But there are some among them who are determined to find a new solution to this dilemma. One such vision rests on the creation of a "Danubian confederation," a trong alliance of all the states in the area based on mutual guarantees of independence within a larger entity. Whether this concept-based at least in part on nostalgia for the Austro-Hungarian Empire—is realistic even over the longer term may be doubtful, but it is a concept that Hungarians hope their neighbors will not lightly dismiss. It is, moreover, a tenacious dream, and, at the very least, a hopeful sign that the Hungarian people have not resigned themselves to the grim prospect of unending strife and cyclical bloodletting in defense of their homeland. (U/OU)

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The Hungarians: Their Habitat and History (U/OU)

Hungary is endowed with a great natural resource, the vitality of the people. Sorely beset over the years, Hungarians have endured, and so has the nation. Not even the wet blanket of Sovietimposed Communist rule has been able to dampen completely their fiery spirit. Eastern in origin and Western in outlook, they are inclined to consider themselves unique and even a trifle "superior." In short, they take pride in being Hungarian.

Ethnically, they are related to the Finns. Both trace their ancestry to the nomadic Finno-Ugric peoples who migrated from a region between the Volga and the Urals. About 93% of the 10.4 million Hungarians are classified as Magyar, with a scattering of Germans, Slovaks, Romanians, Serbo-Croats, and Gypsies (still partially untamed) constituting the remainder. Most of the Magyars, however, are actually of mixed blood through intermarriage which has gone on for centuries. Just as every Hungarian "has a cousin in the United States," every Hungarian has a German or Slavic grandparent. Another 4.6 million people of Hungarian ancestry dwell outside the homeland: nearly 2 million in Romania, nearly 700,000 in Czechoslovakia, half a million in Yugoslavia, and not quite 200,000 in the U.S.S.R. In the prideful tradition of this region, the Hungarian people harbor grudges over alleged "injustices" visited on its people by neighboring governments.

Hungary proper is a homogenous nation chiefly because Hungarians act as one people. The Magyars have assimilated large numbers of their one-time conquerors—Slavs, Austro-Germans, and Romanians—and in the process have obliterated any sort of textbook claim to racial purity. They are largely indistinguishable physically from other Europeans, although some Hungarians do possess the flattish concave nose of their Mcngol ancestors or exhibit characteristics acquired through intermixture with the Turks.

What sets apart the Hungarian more immediately is his language, which is unrelated to any of the main European languages and is similar only to Finnish and Estonian. Linguistic isolation has contributed to a cultural tradition unusually free of foreign influences. During the centuries of Hungary's subjugation, national leaders have repeatedly evoked the popular yearning for freedom in the mother tongue, thus bringing forth a marriage between the word and the soul of the people. This insistence on use of Hungarian is one of the reasons Hungary exists as a separate nation today.

As the representative of an old and proud society, the Hungarian has ueveloped a civilized and honest approach to life. He is not afraid to express his mood of the moment, whether it be rapturous joy or deep despair. He possesses the imagination and sensitivity of a poet, the intelligence and volubility of a lawyer. Renowned as a wit, he is an unsurpassed teller of jokes, which frequently turn out to be wry commentaries on life. As a host he displays courteous and gracious ways. With acquaintances he will be polite; with family (of which he is the ruler) and close friends, affectionate; with foes, argumentative or sullen. All in all, he is both hardLieaded and romantic.

The Hungarian experience is perhaps best symbolized in the person of the peasant who has engaged in a never-ending struggle with wind, weather, rapacious landlords, and alien masters. Although somewhat lost sight of in the inevitable rush to urbanization, the country folk still represent



the historical Hungary. Small villages abound, with their unpaved roads, baroque churches, bullock carts, flocks of geese, and nesting storks. Scattered, low-lying abodes are frequently no more than whitewashed mud-brick cottages—a tradition in construction dating back to the Turkish occupation when their destruction was frequent and widespread. And like their distinctive dwellings, the peasants themselves evoke the past in their holiday dress and observance of ancient religious customs.

Isolated from the sea, Hungary is situated in a broad basin of south-central Europe that has been traversed and contested by disparate peoples over the centuries. Once dominant over the entire area, Hungary now shares the basin with Romania and Yugoslavia which, along with Austria, Czechoslovakia, and the U.S.S.R., comprise a girdle of alien cultures. Comparable in area to Portugal or the state of Indiana, present-day Hungary extends only 280 miles from east to west and 122 miles from north to south. Cultural isolation and compactness of shape tend to reinforce Hungary's identity and integrity as a political entity. Location astride major east-west land routes has compensated in some measure for the limitation of size and has permitted extensive external ties that have enabled Hungary to progress beyond the limits of its own natural resources.

The Danube River, more than any other physical feature, unifies the country. It provides access to the industrial and commercial heart of Europe and to the ports of the Black Sea. It is the core of the natural drainage system, and as it meanders across the land it evokes the free-flowing spirit of a restless people. Balaton, Europe's largest warm water inland sea, is a mini-Riviera for Hungary.

Hungarians still require the ego massage they give themselves, for in various ways their small nation is the "poor boy of the neighborhood." Among the states bordering Hungary, it outranks only Austria in size and population. Since losing 70% of its territory following World War I, it has lacked naturally defensible borders. And, in contrast to neighboring states, it features a relatively level terrain. Approximately 60% of the area consists of flat to rolling, practically treeless plains. A narrow chain of low mountains and hills extends arross the northern part of the country, and a small, low mountain mass occurs in the southwest. Less than a third of the country is over 1,000 feet above sea level. The highest elevation, 3,300 feet at Kekes,¹ occurs in the Matra mountains northeast of Budapest.

Climatic conditions in Hungary, like the moods of its people, vary considerably. Hungary is subjected to the mild oceanic climate of the northwest, the Mediterranean climate of the south, and the continental climate of the east. On average, winter is dismal—cloudy and cold—but the unpleasantness of that time is compensated by long, warm summers when, in the heat of midday, a mirage

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¹For diacritics on place names see the list of names on the oron of the Summary Map and the map itself.

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may dance along the dusty horizon. An erratic pattern of precipitation during the growing season is a constant national concern, but the construction of irrigation works has provided some relief during extremely dry spells.

Blessed with an abundance of fertile soil, Hungary was for some time the breadbasket of central Europe. Despite the inroads of industrialization, the cultivation of grains and vegetables continues to be a major venture. To the world outside, Hungary would not be Hungary without its speciality crops: the apricots of Kecskemet, the paprika peppers of Szeged, and the wine grapes of Tokaj. Hungary is also celebrated as a land of cowboys (gulyas) and horseherders (csikos). This Wild West aspect of the national existence remains in view on the grazing land of the Hortabagy Steppe east of the river Tisza, the nation's other great natural water route.

If rural life represents the traditional Hungary, then it is in the capital city of Budapest that "Hungary universal"-a mixture of yesterday and today-is to Ly tound. The successor to the old Roman town of Aquincum, Budapest has lived the 1,000-plus-year history of the nation. It has been ravaged repeatedly, and its remaining historical treasures bear the marks of national suffering. Its vitality, however, remains intact. Long called "the pcarl of the Danube" because of its beautiful location, Budapest has always had a lively charm that has even transcended the grayness of spirit that normally shrouds a Communist capital. Budapest, the largest city in Eastern Europe, has grown to a population of 2 million in post-World War II times, largely as a result of the regime's push toward industrialization. It is, in sum, the political, military, industrial, cultural, intellectual, and transportation hub of the nation, as well as the shrine of the Hungarian spirit.

That spirit hes weathered many storms, for Hungary is an old society. It has known times of glory and has its pantheon of heroes. Among them



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are Saint Stephen, the enlightened monarch of the 11th century, who set up a viable state and placed it firmly within the domain of Western Christianity; King Matyas Corvinus, who brought the nation new standards of justice and culture in the 15th century; Gen. Janos Hunyadi and Ferenc Rakosi, who respectively warred against the Turks and Austrians; and, finally, the fiery political reformer Lajos Kossuth and great national poet Sandor Petofi, leaders of the revolt of 1848 against Habsburg domination. These are some of the men who helped

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build and preserve the Magyar nation. More often than not their missions ended in tragedy. Thus, for some, the conclusion is almost inescapable that the Hungarian epic is a tale of lost causes. Yet the dream of an independent, free Hungary lives on in a triumph of idealism over political reality.

The reality is that Hungary has been a prey for its neighbor. In the 14th century, the expanding Ottoman Empire reached its southern borders and the Hungarians were called upon to defend Christian Europe against the infidels, eventually at the cost



of their own independence. When the Turks were finally expelled in the late 17th century, they left behind a country devastated, depopulated, and quite unable to resist the dynastic ambitions of the Habsburgs, who reigned until the end of World War I despite flareups of Magyar nationalism, including the 1848 revolt, and extended periods of passive resistance.

In 1919, the nation briefly fell under the dictatorship of indigenous Communists led by Bela Kun. His attempts to force drastic social reforms a la Lenin gave communism a bad name. In 1920, stability of a sort came to Hungary with the advent of the heavily paternalistic, semifeudalistic regency of Admiral Miklos Horthy. Successive cabinets played on such themes as irredentism, anticommunism, and Hungarian nationalism; they grappled with a laggard economy and slowly steered the country into the orbit of newly arisen Nazi Germany. In 1940, lured by the promise of recovering historic Hungarian lands, Budapest allied itself formally with Berlin. Four years later advancing Soviet troops occupied the Hungarian capital.

As in other East European states after the war, Hungary was permitted a multiparty, quasi-democratic government for a short time. Soviet overlordship guaranteed that the Communists were to be the dominant factor. By the use of what party chief Matyas Rakosi called "salami tactics" the Communists sliced away at those institutions alien to their cause. In 1947, leaders of the "bourgeois" parties were hounded into submission or exile. In 1948, the Social Democrats were done in by a popular front merger, and the collectivization of agriculture and industry commenced. In 1949, Cardinal Prince Primate Mindszenty was given life imprisonment, ex-Interior Minister Laszlo Rajk-an example of an indigenous Communist-was given death, and the nation was given a Soviet-style constitution and a new name, the Hungarian People's Republic.

Secret police terror reigned, and adulation of Rakosi was required. The new party boss, the son of a poultry butcher, became the most brutal of the early satellite leaders. Touting himself as "Stalin's greatest Hungarian pupil," he tried to transform the nation into a Soviet Union in miniature. There were 150,000 political prisoners, and at least 2,000 others had been executed by the time of Stalin's death in 1953. Out of favor with the new Soviet leadership, Rakosi then found himself edged aside by more humane elements who sought to abate the torrible tensions that gripped Hungarian society, only to become victims of the ensuing explosion.

The seeds of the Hungarian revolt had germinated long prior to 1956. Hungarians were singularly unreceptive to a political system lacking a national foundation, particularly one that embodied an atheistic and alien dogma and was imposed by the Russians. More immediately, the populace was angered by the denial of individual liberty and alienated by the absence of material well-being. As a result, workers turned apathetic, the peasantry grew restless, and intellectuals became aroused. With an inevitability born of popular desperation, violence erupted in late October. Under the uncertain leadership of Imre Nagy Hungarian aspirations for a liberal-socialist-neutralist regime emerged-and within a fortnight were crushed under the tread of Soviet tanks. The revolt was over, but after this latest assertion of age-old Hungarian nationalism, life on the Danube could never be the same. The winds of domestic reform were sharpening and would have to be heeded, at some cost to Budapest's conformity to Soviet ways.

The task fell to Janos Kadar, a purported friend of the revolution, but, as it turned out, more of a political opportunist, to find a course between the rocks and shoals of rampant nationalism on the one hand and Stalin style communism on the other. At first it seemed that little had changed, as the regime restored order in the approved Communist fashion. Finally, in December 1961, Kadar set the stage for a time of domestic relaxation and popular reconciliation by declaring that if the Rakosi era motto had been "Those who are not with us are against us," then his should be "Those who are not against us are with us."

Still wary of its sullen citizenry, the government inched forward on two fronts: broadening the political system to give the individual a sense of participation, and liberalizing the economic system to permit the individual to share in the fruits of his labor. At the same time it compensated Moscow with almost slavish support of Soviet foreign policy. The regime was shaken by the Soviet move against Czechoslovakia in August 1968, seeing in it a possible indictment of its own reform program. With appropriate pauses, however, for soul-searching reevaluations, Kadar groped forward tov ard a position capatible with the popular mood and the demands of limited national sovereignty.



Communist Politics, with a Small Difference (C)

Along the banks of the Danube in Budapest stands a monumental structure suitable for the suzerains of a great empire. Built in turn-of-the century neo-Gothic style, this house of government is reminiscent in outward appearance to the parliament on the Thames. There the resemblance ends, for the Hungarian building houses bodies that in themselves enjoy little real power but rather are servile attendants of the ruling Communist party. Political theorists might wish to know that Parliament, a unicameral assembly elected every 4 years, is by constitutional writ the highest organ of state authority and as such is empowered to make laws, determine the national budget and economic plans, create or abolish ministries and define the scope of their activities, declare war, conclude peace, and grant amnesties. Political realists understand that, despite talk of "unleashing" the legislature, it remains a captive beast barely capable of clearing its own threat. A Presidential Council, also supplied with an impressive list of powers, supervises the day-to-day operations of the government when Parliament is not in session, which is all but 12 to 15 days a year. A Council of Ministers, in practice the dominant government body, is in effect a puppet cabinet whose members largely move to the tune played by counterpart officials of the party. 1

As is readily apparent, the power of the Communist party is absolute; its glory, however, is negligible. Even the most dedicated follower is hard put to make the story of Hungarian communism creditable. The Hungarian Communist Party was founded in November 1918, tasted power briefly in the Bela Kun dictatorship (March-July 1919), and then lapsed during the interwar era into a largely underground organization with limited support among industrial workers, the urban Jewish middle class, and intellectuals. Overmatched against strong conservative, Christian, and nationalist traditions as well as the police, the party receded into passivity by the time of World War II. Following the "liberation" by Soviet armiesa "glorious" event by Communist accounts but a national disaster according to most others, the populace was required to tolerate the Communists but showed little love for them. A friend of the Rus-

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sians was considered an enemy of Hungary, and even a nominal Jew, as were many party leaders, was an object of distrust. In the national ballot of 1945—Hungary's first and last free election—the Communists received only 17% of the vote, and in the semirigged ballot of 1947 they upped their share to only 22%. Rakosi and company, however, had a simple solution to the problem of popular disaffection: a one-party system abetted by a campaign of terror against party enemies. The result was to add a large dollop of fear to the reservoir of public contempt for the Communists. When the explosion occurred in 1956, the Hungarian Workers Party, as the Communist organization was then called, virtually fell apart.

Since the Rakosi days, the reconstituted Hungarian Socialist Workers Party (HSWP), as it is now called, has come a long way. Led by First Secretary Janos Kadar for over a decade and a half, the party has learned that it must react favorably to the concerns of the people and seek to enlist their support. At the same time it realizes that it must on occasion-as in the unpopular 1968 invasion of Czechoslovakia-submerge Hungary's national self-interest to the concerns of Moscow and thus risk the charge that its rule is just the most recent version of foreign domination. Both paths have had their pitfalls, but by and large the cautious Kadar has steered a safe course around them in the process of rebuilding the party's authority.

Public policy aside, the HSWP organizationally is a fairly typical Communist party. About one Hungarian in 16 belongs-a ratio approximately equal to that in the U.S.S.R. and Poland, but below that for the Communist parties of East Germany, Romania, and Czechoslovakia. Its 700,000 members constitute a motley group: fervent young idealists; superannuated conservative functionaries; cynical opportunists; and largely apolitical establishmentarians, among others. All are expected to react in disciplined fashion to the next higher echelon in the party command, and ultimately to the dictates of the 13-man party Politburo. This principle of party unity frequently fails in practice, but at least strenur us intraparty debate lends credence to the party's claim that the "cult of the personality" has been banished in favor of "collective leadership."

Kadar is beyond question "number one" in the political hierarchy. Rumors circulate from time to time that he has lost favor with the Soviets or is in increasingly bad health as a result of his imprisonment during the Rakosi bloodbaths. There is no indication that he has lost control, but conservative elements opposed to his liberal ways do exist. The Kadar style, if indeed such a spartan and largely colorless personality can be said to have style, is that of the team player. Poorly educated but gifted with good political instincts, Kadar has surrounded himself with a group of talented, fairly young advisers who generally share his point of view. The working levels of the party, conversely, are heavily seeded with hacks. If Kadar's policies fail in implementation, it is more likely due to the immobility or incompetence of this petty officialdom than to the intrigues of highly placed rivals.

The Kadar regime has publicly committed itself to reform in the name of "broadening socialist democracy." If such a formulation seems vague, it is no accident, for the regime is loathe to elaborate on the concept. It appears, nevertheless, that Kadar and the party are in debt to the departed and discredited Imre Nagy, who postulated that a workable Hungarian government should take into consideration the views of the nonparty masses. Inherent in this thesis is the admission that the party, to its own detriment, has dictated national policy to a muzzled and largely indifferent populace. Also inherent is the hope that by allowing persons other than the party faithful to have some say, the party will broaden its base of popular support. At this point, a difficult question ar'ses as to whether an authoritarian body can afford to enhance significantly the rights of others without weakening and ultimately destroying itself. And, if such doubts exist, are Communist leaders in other capitals, particularly Moscow, willing to tolerate "dangerous experimentation" in their midst?

Having weighed the delicate issue with great deliberation, Kadar has chosen to move ahead with inchworm precision and wariness. A first try at opening new lines of communication has come via the regime's "national reconciliation policy." Under it, all who are loyal to the homeland and not outwardly opposed to the party are welcome to participate in the state system. Talent that oherwise would have gone to waste is now available and frequently serves as a welcome alternative to the lame, old party warhorses at the lower and middle echelons of government and industry. Elsewhere the party has encouraged its mass organizations, and the like— o concern themselves less with enforcing ideological purity (a fairly hopeless task in any case) and more with the airing of grievances in open debate. Lest the organizations shy away from this new responsibility, as frequently has been the case, the party has undertaken private opinion polls to uncover popular discontents. At the local government level, district councils have been granted a measure of autonomy over budgetary and developmental planning. At the national level, electoral reforms have even allowed candidates "not hostile to the socialist system" to run against party-approved men. In 1971 at least five "spontaneous" candidates won parliamentary seats-an encouraging number, though hardly enough to boost the regime's avowed hopes of upgrading the national legislature qualitatively.

Through the use of these pluralistic techniques the HSWP has become a somewhat more benign and less pervasive influence. While loosening its hold, however, it has shown no inclination to abandon the single-party ideal or its dominance in practice. A new constitution, in preparation since 1969, presumably could lead to further liberalization, but the delay in its issuance may indicate that the party for now would prefer to mark time. Should Kadar go many more steps forward politically, he always risks striking that great vein of nationalistic sentiment that lies so near the surface. And the consequent unleashing of anti-Soviet and irredentist emotions could easily result in an era of Warsaw Pact-enforced repression.

The Economy, the NEM, and the Consumer (C)

Hungary, by exercise of its national pride, has overcome poverty but has failed to become a rich nation. As a result of Turkish conquest and Habsburg oppression, Hungary remained backward long after other European countries had been fully developed. Well into the 20th century, for example, remnants of semifeudal practice still persisted in its predominantly agricultural society. Ravaged by the retreating Germans toward the end of World War II and then despoiled by Soviet occupiers (a point carefully omitted from Communist histories), Hungary in 1945 lay prostrate-its industry in ashes, its farms untended, its population decimated and starving, and its currency virtually worthless. At this dire pass, the country fell into the hands of Marxian Socialist planners and their Moscow mentors. Their philosophy seemed to be that blood could be extracted from a stone.

Hungary, as with the other "people's democracies," was obligated by the Soviet Union at the start to push industrialization to the limit, without regard to its resources. Particularly trying was the effort to build from scratch-at a terrible cost to the laborer and consumer-a base of heavy industry. Lacking the necessary experience, Hungarians committed egregious planning, management, and production mistakes. In the process, the nation became a veritable sweatshop. Workers initially bore the burden, but then lapsed into apathy on finding little reward in terms of the ordinary comforts of life. At times during this era Hungary was hard put to compete even with its eastern neighbors. In sum, it received a heavy dose of Stalinist-style industrial socialism, and nearly cheked in the process.

Virtually the same methods were applied to agriculture, with virtually the same results. Enforced

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collectivization proceeded spasmodically as former landholders showed a grand indifference to working their plots in the name of the state. Many fled the soil or were impressed by the state to work in factories. Food was in short supply, and the cities overcrowded. In 1961 the government could announce that practically all cultivable land belonged to the "public sector," but what it failed to announce was that the campaign of "peaceful persuasion" that brought this result left many with broken heads.

By the 1960's the government's commitment to a succession of multiyear plans had still produced little more than a subsistence economy. Farmers largely were sitting on their hands, while in industry matters were not much better. It was clear that the government had to do something to get the country moving. The answer came in January 1968 in the form of the New Economic Mechanism (NEM), an innovative scheme that provided for the injection into the system of certain thinly disguised and somewhat modified capitalistic features. They included a sort of supply and demand market, managerial and trade union responsibility for planning and production, worker incentive offers, and a profit reinvestment program. In effect, Kadar was conceding that his central economic planners had botched the operation and that local expertise and initiative were needed. The NEM, however, should not be regarded as a shift toward capitalism. Kadar was careful to insure the continued Socialist character of the economy.

As with other Kadar projects, the NEM did not represent a sudden plunge into the unknown. Rather, Budupest had carefully prepared this new departure over a 3-year period. It studied Yugoslav and Czechoslovak precedents and conducted controlled experiments. Only then did it proceed within the limits of the possible. At the start the regime decreed that the program could not result in economic dislocations or increased dependency on the West, nor could it involve any serious break with orthodox views on the socialist planned economy. Thus, the reform retained planning as the key overall guiding force and relied heavily on economic controls to manipulate the market forces inserted in the system.

Except for a few strategic target areas, however, enterprises were freed from centrally imposed output and quality norms. It was up to them to decide what and how much to produce given expected demands, price regulations, and constraints on imports. The rewards for profitability were higher salaries and wages for managers and workers. Moreover, profitable firms were given the means to finance plant expansion and modernization. Though mildly revolutionary in terms of standard Communist economics, the reform was not expected to produce startling results immediately. In fact, progress was slow at first, but at least economic shocks were held to a minimum. More important, the reform endowed the economy with a new rationale, proved agreeable to a public thirsting for a better life, boosted the reputation of the party for clear thinking, and, overall, helped supply the regime with a broader base of legitimacy.

By the advent of 1971 the NEM had begun to show signs of success. Industrial productivity rose nearly 10% in 1970, a marked improvement compared with previous years. Trade with the West increased significantly, and consumer goods were in far larger supply. But just when the regime was starting to congratulate itself, setbacks occurred and were severe enough to demonstrate that the NEM was no panacea. The warning sign came in duplicate: runaway investment totals and a record trade deficit. After considerable delay, during which the Soviets made unpleasant noises about the direction the Hungarian economy was taking, the regime took corrective measures. By so doing, it seemed to concede that a larger measure of central direction than envisioned under the NEM was necessary for economic equilibrium in Hungary.

In the longer view, Hungarian economists also have had to concede their inability to overcome either Mother Nature or human nature. Mineral resources are limited, leaving the country highly dependent on foreign sources—chiefly the Soviet Union and allies—for such basics as iron ore and energy-producing materials. A small population means both a chronic labor shortage and a continuing search for foreign markets to supplement the small domestic market. Coming late to the industrial scene, Hungary suffers a dire shortage of expert managers and skilled workers, and piracy of good administrators and artisans is common.

Under the NEM, some crafty types in important places have enriched themselves, in part by succumbing to the old national habit of accepting a little under-the-table money. Workers have complained about getting a smaller share of the profit pie than do plant managers. Party loyal bureau<u>ADDOVED EOD DELEASE, 3000/06/46, "CIA DDD04 00707D000300440037 3</u>

crats and entrenched trade union chiefs have tried to block any takeover of their powers by young, ambitious technocrats. And, in this worker-peasant state, the peasant has complained so bitterly of unequal treatment that the government has had

to increase farm wages, farm investments, and farm community amenities. In turn, the peasants have demonstrated their order of priorities to the regime by producing about as much on their small private plots as is produced on all the state farms combined.

Though many are the complaints, the average Hungarian might admit to himself that he had never had it so good. He lives better today than at any time within the lifetime of the oldest living person, whether he appreciates it or not. He is better dressed and better fed than 10 years ago, has sufficient money for an occasional luxury item, and may spend his leisure time at a vacation resort. If he is one of the favored few who has profited heavily from the NEM, he may have developed a taste for "the finer things in life," including a private house and an automobile. These benefits of "goulash communism," as it is derisively called by anti-Kadarists, are largely attributable to a conscious effort on the part of Kadar to enlist the consumer as a prop for his regime.

After long years of deprivation, the Hungarian finds that his government has brought him a considerable array of goods at prices he can afford. And, now that his possessive instinct has been aroused he may demand more than can be offered by a regime caught in the spiral of rising expectations. Adequate housing, for example, is perenially in short supply, and the automobile remains a status symbol in a land where motorcycles outnumber cars three to one. With 2.5 million radios and 1.8 million TV sets available as opposed to 800,000 telephones, Hungarians find it easier to receive than transmit the spoken word. In a nation of hearty eaters, protein-rich foods are still in short supply. And finally, the curative waters of the health spa still take up some of the slack left by inadequate state-sponsored medical facilities.

The Regime and the People (S)



The seeds of liberalism planted by Janos Kadar have yet to yield a crop of popular allegiance. About the best that can be said in behalf of the regime is that the populace appears to be progressively less antagonistic toward it. Outright support, however, remains negligible. Rather, the citizenry by and large seems ideologically neutral and politically passive. Pessimism to the point of fatalism is a characteristic of Hungarians. They have learned to accept what comes and to avoid that which will bring only pain. The failure of the 1956 revolt led to the final realization that Hungary was enmeshed in the East-West power balance and that as a result the Magyars, once again, could not choose their own path of development. Still, they have resisted the regime's efforts to build a collectivist mentality and impose a Marxist-Leninist belief system. If anything, individualistic behavior has become more pronounced. Minor protests are mounted on occasion, but they are easily squelched by a government inclined to be more lenient than its predecessors. Moreover, active dissidence is isolated in character, usually emanating from small bands of romantic idealists at home and professional antiregime refugees abroad. Neither element poses much real danger to a system powerful in itself, assured of Soviet backing, and relieved of the threat of Western intervention.

Reasonably secure in the present and relatively confident of the future, the regime has sought reconciliation with its largely submissive citizenry. It has posted notice that fealty to the party is no longer required for a citizen to live in peace. Variant life styles are tolerated if they do not represent open conflict with the principles of the state. While the nonconformist may expect less in the way of favors from the system, he otherwise is likely to be left alone. To conformists, the regime holds out the lure of membership in its new elite of professionals, intellectuals, technocrats, and managers. Many accept, but their loyalty is largely superficial and opportunistic. To the common man, the regime poses as a partner in the appreciation of things Hungarian. It has joined the effort to preserve ancient folkways; rehabilitated national monuments such as the royal palace in Buda; and promoted excellence in such sports as fencing, soccer, water polo, swimming, boxing, and wrestling. Still, most Hungarians see the regime heavily mortgaged to the Soviet will rather than committed to Hungarian fortunes, and Kadar, try as he may, cannot wash that stain from the record.

In a variety of ways-by themselves unspectacular, but in total significant-the people have made manifest a lack of "oneness" with the system. At bottom, Hungarians collectively have declined to meet the official standard of a burgeoning nation of uncommon character. The birth rate and growth rate of the population are lower in Hungary than in any other state in the Communist bloc. The suicide rate is the highest and the divorce rate the third highest in the world. In practical terms, this erosion of the human spirit portends an increasingly aged population and a stagnating labor force. More immediately, other indications of individual alienation suggest that a social crisis of considerable dimensions may be brewing. Alcoholism is widespread, and prostitution flourishes. Psychiatric disorders appear to be growing, and a minor drug culture may be forming. Crime is on the rise, and special appeals to help curb it have met with public apathy. Juvenile delinquency and youth offenses are particularly mortifying to a regime that bases its future on a younger generation indoctrinated in the puritanical morality of state socialism.

If anything, Hungarian youth seems more disspirited than the older population. The regime has bestowed unique favors on the young in terms of better educational opportunities, better health care, better recreation areas, and improved social facilities. Such heartily despised features of education as compulsory technical and Russian language training may soon be alleviated by a contemplated "NEM of the classroom" that would provide greater local autonomy at the universities, wider latitude for the individual in choosing a profession, and increased opportunity for academics to indulge in self-expression. Still, youth continues to view itself as a submerger' underprivileged, and somewhat forlorn minority in a small-time Communist state. The failure of any appreciable numbers of the under-35 generation to advance to leading positions in the system is accepted as a sign that the ingrained paternalism of Hungary's past still holds. Apathy is the result, as even the low level of political commitment found in neighboring Communist countries is not met here.

Compared with youth, Hungary's writer-intellectual caste represents a potentially far more subversive element in the eyes of the regime. Historically, men of the arts and letters have raised the torch of freedom during Hungary's many dark hours. Whether poet or politician or both in the same person, they have transcended the barriers to understanding and evoked the essence of Magyar nationalism as rooted in the common man. Especially have they idealized Hungary as an outpost of Christian-Western civilization holding against the alien hordes of the east. This conception, while it borders on national conceit, nonetheless is easily understood both as it applies to Constantinople in the past or to Moscow today.

It is small wonder, then, that the Communist regime from it inception sought to strap its most creative people into the intellectual straitjacket of "socialist realism." After long periods of greater or lesser repression, Kadar finally chose as part of his liberalization program in the early 1960's to relax the death grip on dissident cultural expression. Since then, bureaucrats and intellectuals have observed an uneasy truce, with the former largely abandoning overt censorship and the latter venturing only very tentatively into the no-man's land of antiregime criticism. Occasional skirmishes still occur at the frontier of misunderstanding, however, and it is clear that the amount of trust felt on both sides could be measured by the thimbleful. Meanwhile, a pall still hovers over intellectual output, and it seems evident that outright genius, as exemplified by recent musical greats Bela Bartok and Zoltan Kodaly, is unlikely to blossom in the Philistine setting of Kadarland.

A third factor which has left the Communists' governing equation somewhat unbalanced is the church. Christianity came to Hungary shortly after its founding as a state, and over the centuries entered into the lifeblood of the nation. The dominant Catholic Church (representing two-thirds of

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the Hungarians as opposed to one-fourth for the Protestants) had become a spiritual and secular power long prior to this century. Unwilling to sacrifice this privileged position, it faced an inevitable clash with the new creed of communism. Attacking hard and fast from the beginning, the regime nationalized the church-run school system, expropriated church lands, abolished religious orders, jailed recalcitrant clergy, and took overall charge through a State Office for Church Affairs. Faced with a merciless foe, the church slowly and stubbornly gave way. For its part, the regime came to realize that it could not win total victory, and from the early 1960's it began to abate its harassments and strike bargains with the church. Today, a modus vivendi obtains, uncomfortable though it may be. The church abstains politically. The state allows the church a modest subsidy. Ostensibly there is a reconciliation, chiefly in favor of the state. Yet, state authorities remain wary of an institution that continues to have such a powerful emotional hold on the people-one that they themselves cannot hope to emulate.

Kadar, it would appear, has neutralized and pacified those individuals and institutions howile to his cause. Presumably he has little to fear. Yet, the trauma of the anti-Communist, anti-Soviet uprising of 1956 lives on in the minds of those now in control. Never ones to take matters of state security on faith, they remain constantly watchful of their enemies, whether they be rightist emigrees in Vienna or former Rakosists in Budapest itself. The government has even drafted plans to deal with a future uprising—the possibility of which seems slim to all except those ruling Communists who might be its victims.

Lest government opponents, latent or real, become overly optimistic about their chances, government authorities continue to exercise internal control through an information and security network. The print and broadcast media, both regime-controlled, largely echo the party line (though far more subtly than in the past) and serve as channels of instruction to the populace. Censorship has been relaxed and independent views are at times permitted to circulate, particularly in the periodicals of the cognoscenti. In like manner, parades, mass rallies, party indoctrination sessions, and poster campaigns have been deemphasized in order to avoid propaganda overkill with resulting suspension of belief. Nevertheless, the regime's message remains strong and clearcut. It glorifies the Soviet Union, the socialist system, the party, and the national economic goals. There is no doubt as to who is in the saddle in Budapest.

As with almost any government, the Kadar group seeks to stop trouble before it starts. Police informants and opinion polls are devices used to listen in on public sentiment. Mass organizations, as noted earlier, are encouraged to voice complaints and help defuse touchy situations. In the event that sterner measures are called for, the government comes well-armed, chiefly in the person of the internal security police-originally the AVO and now referred to as the AVH. In early days the AVO was essentially an elite intraparty group, largely Moscow-directed, that enjoyed virtually absolute authority over the nation's vital organs. Its tactics were crude but effective: swift arrest, forced confession, summary verdict, and lengthy imprisonment-or, perhaps more humanely, immediate execution. In short, the Hungarian authorities who closed out a 16th century peasant rebellion by frying its leader on a metal throne and forcing his followers to eat the flesh had little on the sadists of the AVO. Since 1962 the regime has curbed the powers of the AVH and purged it of its worst elements, but some of its reputation for cruelty lives on. Regular legal procedures are now observed. But the statutes against antistate activity are broadly worded, and the regime is not averse to tightening the screws if need be.

Should a national emergency occur, the armed forces would come into play. In view of lingering doubts about their 'oyalty and effectiveness, this prospect is a fairly cheerless one for the government. In terms of manpower, the regular armed forces are the smallest in the bloc, numbering only about 97,500. And, in terms of gross national product, Hungary spends less on defense (4% in 1971) than any other East European nation. Economic and social needs take priority, but, more important, the crisis of confidence in the military establishment resulting from its failure to respond during the 1956 revolt has not been completely overcome. Since then it has been rebuilt, politically purified, and reindoctrinated with the message of loyalty to the state. The armed forces returned to participation in Warsaw Pact exercises in 1966 and in small numbers joined the intervention in Czechoslovakia in 1968. Neither action, however, has been taken as a final judgment on their capability or reliability.

Foreign Policy: A Function of Reality (S)

For years there was doubt that Communist Hungary had a foreign policy. In the cold war era it led a largely parochial existence as a Soviet satellite, and only in late 1955 was it finally accepted for membership in the United Nations. Recently a native Hungarian wit has allowed that there now is a foreign policy, but that it is mainly a screen behind which party leaders attend to their favorite occupation, the cultivation of the economy and the tranquilization of the country at large. This observation, while generally true, masks the more specific truth-that Hungary, as it focuses inwardly on all-important domestic reforms, must at the same time work skillfully for the best possible relations with its Communist neighbors. Kadar's liberalization steps tend to disturb other East European governors, who profess to see in them the seeds of Western capitalistic subversion. Thus far, Kadar's caution in prosecuting reform has staved off truly damaging criticism. More important, his hearty approval of most aspects of Soviet policy has served to insure that Hungary will continue to be accepted as a fully paid-up member of the "socialist commonwealth of nations."

Generally, Hungarian Communists find it easy to conform to Soviet world views. In many situations they already agree on the basis of a common ideology, while in others they feel the issue is so remote as to be of little concern. Occasionally, however, national self-interest intrudes, and then Hungarian leaders pursue their own special cause to the extent they believe Moscow will permit. In the halls of the United Nations Hungary regularly echoes Soviet positions. In particular, it mirrors the Soviet view on Vietnam, the Middle East, and the "struggle" of third world nations for unity and independence. Budapest backs Moscow against Peking, but, along with other East European capitals, frequently urges restraint. The Kadar regime hews closely to the Russian line on the large question of European security and cooperation, although here, given a choice, the Hungarians would seek to accomplish more. They have also shown interest in participating in the International Monetary Fund, but they have held off pending a Soviet move. In bolder action, Hungary has proposed, .' spite Soviet displeasure, that CEMA (Moscow's would-be common market for East Europe) be converted into an integrated system along the lines of the European Economic Community.

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The basic logic of Budapest's position, as Kadar has acknowledged, is that Hungarians "cannot change geography." Hungary lies in the Soviet sphere of influence. It is an economic and military dependency of Moscow. And the U.S.S.R. is capable of strong, swift intervention at any time. By reason of this stark reality, Hungary's options are limited.

Specifically, the Soviets have an important, perhaps even decisive, voice in Hungary's economic course. The U.S.S.R., for example, supplies threefourths of Hungary's iron ore and more than half of its lumber, coal, and oil. CEMA accounts for roughly two-thirds of Hungarian foreign trade, and half of this total is attributable to the U.S.S.R. Additional leverage is supplied by the 50,000-man military force the Soviets have "temporarily stationed" in Hungary, presumably at cost to the host nation.

In recent years, the Soviets have chosen to follow a "compromise" policy toward Hungary—neither heavyhanded intervention nor hands off. They know the location of the pressure points on the Hungarian corpus, and they are not afraid to squeeze them when necessary. The Soviets appear to have some sense of confidence in Kadar, on the grounds that he has managed rather well in difficult circumstances since 1956. On the other hand, Soviet suspicions of Hungarian domestic reform are strong, as was shown in February 1972 when Kadar was hastily called onto the Kremlin carpet to further justify the NEM.

With regard to the other nearby Communist states, Hungary strikes an amicable but less subservient pose. Its attitude is colored by the memory of the Trianon settlement following World War I. Hungarians have neither forgotten nor forgiven their losses, particularly the forfeiture (to Romania) of picturesque Transilvania, the historic bastion of Hungarian independence. On this account, the man in the street is disposed to grieve for his "oppressed" Magyar brothers so long departed from Hungary itself.

On an official level, needless to say, Hungarians pay regular tribute to the largely symbolic treaties of friendship with each of the Communist neighbors, as well as to CEMA and the Warsaw Pact. But they also stress Hungary's primary responsibility for its own affairs. With the interventionistminded and militantly conservative East German regime, Hungary at most has "correct" relations. The Hungarian minority in Transilvania and Bucharest's maverick foreign policy are strong irritants in the Hungarian-Romanian juncture, but attempts in recent years at a better understanding appear to have borne some fruit. Foland under Gierek and Czechoslovakia under Husak are less well regarded than formerly, but allowance has been made for an improvement here too.

The regime's attitude toward Western nations is now cautiously positive-a far cry from the time when the "capitalist-imperialists" were the scapegoats for everything from a small incident to the 1956 revolt itself. In the interest of retrieving Hungary's image-shattered when the 1956 revolt was crushed-and expanding his government's area of maneuverability, Kadar extended his liberalization program westward. Cultural and scientific agreements have been negotiated. High-level official visits have been promoted. The frontier with neutral Austria has been partially disarmed. Western literature has been made available. And the famous Hungarian hospitality has been offered to increasing numbers of Western tourists. Ensuing good will aids in Hungary's deeper efforts to exploit Western technology and vie for sales in Western markets, both vital facets of the NEM.



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Kadar, the Soviets, and the Future (C)

On taking office in 1956, the Kadar regime faced the herculean task of restoring a nation torn asunder by revolt. It proceeded slowly and a bit uncertainly to build a Hungary that would first conform to the requirements of the U.S.S.R.'s security and dogma and then be capable of meeting popular needs. Progress at times was almost imperceptible, but finally there has emerged a new political entity—one that can claim to be the most stable and liberal in Eastern Europe.

At present, the Hungarian people are largely docile—a tribute of sorts to Kadar and his group. The NEM has offered the promise of a better material life. Intellectual horizons have been broadened a bit by a tolerance for greater freedom of expression. Increased visiting privileges tc the West have alleviated the sense of physical confinement. Overall, tentative understanding between the party and the people has been established. Still, Kadar and his cohorts remain wary lest a misstep topple the delicate structure they have so carefully raised. In particular they are concerned, as ever, about a recrudescence of Magyar nationalism that might well trigger a Soviet move destructive of what has been accomplished thus far.

To a large extent the prospects for Hungary are intertwined with the personal fate of Kadar. Sixty years old as of 1972, he may on account of health have few years left. His rule has been highly personalized and a degree intuitive. No heir apparent exists, nor is there the promise of one who can match Kadar's example. In the event of Kadar's weakening or demise, proregime and antiregime forces may well be prepared to battle for control of his legacy to the Hungarian people.

Even now, footdragging on some of Kadar's policies is more the rule than the exception. Sup-

port for the NEM in particular has shallow roots and may have been shaken further by late-hour economic reverses. And the success of NEM depends ultimately on political reform, which still must find its way around the doctrine of party supremacy. Then, too, it is evident that not all of Kadar's problems lie within his domestic line of sight. Hungary's "separate road to socialism" arouses deep fears among neo-Stalinist elements elsewhere in Eastern Europe. The Soviets themselves, while praising Hungarian reforms in general terms, have also warned Kadar to go slow on several occasions. Kadar probably is in no immediate danger, but in dealings with Moscow he has little room for miscalculation.

Whatever the fate of Kadar and his program, Hungary over the longer term seems destined to remain a pawn of big-power politics. As a small nation, it can do little to improve its role in Europe cr on the international stage. At best it must p: ay that the currents of change will permit a wider opening to Western influence and a consequent weakening of Soviet domination. Given these trends, a Hungarian government would have a freer hand for the development of the nation on the basis of its own rather than alien requirements.

Such an outcome is not considered a likely prospect by most Hungarians, however. On the basis of experience they are reasonably certain that the Soviets are not about to relax their grip on Eastern Europe. And so, the Hungarians must continue to accept foreign domination at they have so often in the past, uncomfortably and unwillingly, yet with a fortitude that seems to guarantee their continuance as a nation.



Chronology (U/OU)

895-96

Prince Arpad leads Magyar conquest of Hungary.

1000

King (Saint) Stephen is converted to Christianity.

1241-50

Tatars invade.

1458-90

Reign of Matyas Corvinus: Hungarian Renaissance is at its apex and domination of the area is at its widest geographically.

1526

August

Turks defeat Hungarians at Mohacs; Turkish conquest of Hungary ensues.

Late 17th century

Corabined efforts of Austrians and Hungarians drive Turks from Hungary. Habsburg domination of Hungary begins.

1703-11

"War of Independence": the first effort to evict the Habsburgs fails.

1848

March to

1849

August

National revolt against Habsburgs almost succeeds. Hungarian armies are crushed by the intervention of the Russian Imperial Army.

1867

Austro-Hungarian dual monarchy-the "Great Compromise"---is formed.

1914

July

Hungary enters World War I as an ally of Austria and Germany.

1918

November

Hungarian Communist Party is founded.

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1919 March-July

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Hungarian Socialist Republic, a short-lived Communist dictatorship led by Bela Kun, is established.

1920

March

Admiral Miklos Horthy is elected Regent of Hungary.

June

Hungarian Peace Treaty, also known as the Trianon settlement, is signed at Versailles; Hungary cedes threefourths of its territory and over one-third of its population to neighboring states.

1940 November

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Hungary signs Axis Pact.

June

Hungary declares war on U.S.S.R.

1944

March

Germany occupies Hungary.

October

Regent Horthy is arrested by Germans.

December

Provisional government is established in Debrecen under Soviet auspices.

1945 January

Armistice agreement is signed in Moscow.

April

Hungary is liberated from Nazi rule.

November

Only free election in Hungarian history is held; Smallholders get absolute majority; Communists receive 17% of vote.

1946

February

Republic is proclaimed; Ferenc Nagy of Smallholders Party becomes Premier.

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1947 February

Hungarian Peace Treaty is signed in Paris; Hungary returns all territories acquired since 1939.

May-June

Hungarian Communists take over the government.

1949

January

Hungary joins U.S.S.R. and other East European states in forming the Council for Economic Mutual Assistance (CEMA).

February

Cardinal Mindszenty (who had been arrested 26 December 1948) is sentenced to life imprisonment.

September

Former Interior Minister Laszlo Rajk is tried on charges of plotting with Tito against the Hungarian Government; Rajk is sentenced to death.

1952

August

Matyas Rakosi becomes Premier.

1953

July

Imre Nagy succeeds Rakosi as Premier and outlines New Course to National Assembly.

November

Rakosi becomes First Secretary of Party Central Committee.

1954

October

Janos Kadar is released from prison and made party secretary of Budapest's 13th district.

1955 April

Imre Nugy is removed as Premier and expelled from Party Central Committee following 9 March condemnation for "rightist deviation"; Andras Hegedus becomes Premier.

1955

May

Warsaw Pact is signed by Hungary.

December

Hungary is admitted to the United Nations as part of a package deal.

1956

February

Bela Kun is rehabilitated.

March

Laszlo Lajk is rehabilitated.

July

Matyas Rakosi is relieved as Party First Secretary and replaced by Erno Gero.

October

Revolt breaks out; Imre Nagy replaces Hegedus as Premier.

Gero replaces Kadar as Party First Secretary; coalition government is formed with Nagy remaining as Premier; Soviet troops intervene but later withdraw from Budapest; Cardinal Mindszenty is released.

November

Hungary proclaims neutrality and withdraws unilaterally from Warsaw Pact.

Soviets again resort to massive armed intervention; Nagy and associates take refuge in Yugoslav Embassy; Kadar government is formed; Cardinal Mindszenty takes refuge in U.S. Legation.

Nagy and colleagues leave Yugoslav Embassy under safe conduct, but are immediately arrested by Soviet troops.

December

United Nations adopts resolution condemning Soviet intervention in Hungary.

1957

February

Party and government is reorganized; Kadar consolidates party power by adding 3 new members to Politburo, 2 to Secretariat, 21 to Central Committee.

September

U.N. General Assembly adopts resolution condemning Soviet intervention in 1956; it appoints special representative to seek Hungarian compliance with earlier resolutions.

November

Government abolishes Workers Councils which had been established during the revolt.

1958

January

Kadar is replaced as Premier by Ferenc Munnich but remains Party First Secretary.

June

Ministry of Justice announces that former Premier Imre Nagy and several of his close associates have been executed.

December

Party Central Committee decides to speed up collectivization.

1959

November-December

Seventh Congress of the Hungarian Socialist Workers Party, the first since May 1954, meets in Budapest; Central Committee is enlarged from 53 to 71 members, Politburo from 11 to 12; Kadar is reelected Party First Secretary.

1960 January

In government reshuffle, Gyula Kallai is made First Deputy Premier.

March

Amnesty for certain categories of political prisoners is announced, including some imprisoned in 1956.

1961

February

Collectivization drive is completed; party announces that more than 90% of arable land is "within the socialist sector."

June

Travel restrictions on diplomats are rescinded mutually by Hungary and the United States.

September

Government undergoes major reorganization; Kadar assumes premiership, while retaining party leadership; two new deputy premiers are appointed.

1962

February

Six deputy ministers and 12 high executive officials are relieved; regime fills posts with more technically proficient party members.

April

Warsaw Pact maneuvers held in Hungary, with Hungarian troops participating for the first time.

August

As part of de-Stalinization campaign, Central Committee expels Matyas Rakosi, Erno Gero, and 23 others from party.

October

Politburo member and party secretary Gyorgy Marosan is dropped from all party posts.

November

Eighth Congress of the Hungarian Socialist Workers Party is held in Budapest. Major party and government reshuffle is announced; Kadar reaffirms Hungary's position within Soviet camp and attacks Albanian regime and those who support it.

December

United Nations votes to abolish post of "special representative for Hungary."

1963 March

Kadar announces dismissal of two government ministers who served under Rakosi, shifts others to different posts; amnesty is declared, affecting 2,000 to 3,000 prisoners;

May

Negotiations are undertaken between Hungary and the Vatican; five Catholic bishops are released from house arrest.

nearly all political prisoners from 1956 are released.

22

June

Hungarian delegation is fully accredited at the United Nations, for first time since 1956.

September

Kadar and Tito confer; meeting marks improvement in Hungarian-Yugoslav relations.

November

Trade agreement is signed with West Germany; Hungary accepts the "Berlin clause."

1964

April

Kadar publicly identifies himself with Khrushchev's policies during the latter's visit to Hungary, attacks Chinese Communists.

September

Hungary and the Vatican sign accord, the first such agreement between the Vatican and a Communist state; five new bishops are named.

October

Kadar publicly praises Khrushchev, who was ousted as Soviet Premier on 15 October; he assures Hungarians that there would be no repercussions in Hungary.

Austrian Foreign Minister visits Budapest (the first visit of a Western European foreign minister to Hungary since the end of World War II); Austro-Hungarian relations improve.

November

United States and Hungary begin negotiations to settle outstanding bilateral issues.

1965

February

Kadar tells Parliament that Soviet troops will remain in Hungary until West accepts "Soviet proposals for power disengagements" in Europe.

May

United States participates in the Budapest International Trade Fair for the first time.

June

Major party and government changes are announced; Kallai succeeds Kadar as Premier; party hardliners are downgraded; Kadar lieutenants are promoted.

November

Kallai addresses Parliament for the first time as Premier; education reforms are announced by Minister of Culture Pal Ilku.

Party Central Committee approves "guiding principles" of the economic reform.

December

Permanent representative of the National Front for the Liberation of South Vietnam arrives in Budapest.

Details of 1966 economic plan are announced (approved by Central Committee on 8 December); some wages and pension allowances are increased; prices of various consumer goods are left to be increased during the first 6 months of 1966. The announcement of price increases generates widespread popular discontent.

1966 April

Kadar speech at the Soviet 23d Party Congress endorses Soviet policies, blasts Chine^ee and Albanians.

May

Party Central Committee approves resolution on economic reforms to be implemented between 1968 and 1970; Party Secretary Nyers announces that political reforms will be considered by Ninth Party Congress in November.

November-December

Ninth Congress of Hungarian Socialist Workers Party is held in Budapest; Central Committee powers are increased; Central Auditing Committee and candidate membership in the party and Central Committee are abolished.

1967

April

Covernment changes are announced; Jeno Fock replaces Cyula Kallai as Premier as economic experts move into top government positions.

May

Regime organizes destructive anti-Vietnam demonstrations at U.S. Embassy in Budapest.

July

Hungary hosts Communist summit discussions of support for Arabs.

September

Hungarian-Soviet treaty of mutual aid and friendship is renewed.

November

U.S. Ambassador presents credentials in Budapest, completing U.S. side of 1966 agreement to upgrade diplomatic representative to the ambassadorial level.

1968

January

Hungary's economic reform (New Economic Mechanism) is inaugurated.

February

Hungary hosts preparatory session for the World Communist Conference.

March

Premier Jeno Fock pays state visit to France.

April

Party daily announces support for Czechoslovakia's de-Stalinization campaign.

June

Debate in Secretariat over continued support of Czechoslovaks is settled in favor of continued support.

July

Kadar argues for moderate course at Warsaw meeting of hardline regimes alarmed at developments in Czechoslovakia. Kadar signs joint letter to Lubcek regime warning of excesses.

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August

Kadar meets Dubcek on 18 August in last-ditch attempt to counsel gradualism and is rebuffed. Kadar joins hardliners in sending troops into Czechoslovakia on 20 August.

September

Hungarian leaders publicly reassert their intention to continue gradual domestic reforms in Hungary.

Hungarian ambassador to United States arrives in Washington.

1969

March

Joint party-government meeting extends Kadar's gradual reform policies.

Writers Union Congress marks rapprochement between Kadar regime and liberal authors who join regime organization.

1970

January

Minister of Interior Andras Benkei calls for reforms limiting powers of secret police.

November

Tenth Congress of the Hungarian Socialist Workers Party is held in Budapest. Kadar wins low-keyed endorsement of domestic reforms and silences critics who disturbed preparations for the congress with complaints about effects of internal liberalization. Brezhnev attends congress and gives Kadar a general—but vague—endorsement.

1971

February

Matyas Rakosi, Stalinist party boss of the 1950's, dies in exile in the U.S.S.R.

May

National elections are held. As first test of new election reform, elections prove to be generally disappointing in extending limits of popular choice and participation.

July

Hungary joins in Warsaw Pact polemics against Romania, Yugoslavia, and Albania for their ties with China. Hungarian-Romanian rapprochement is temporarily halted as a result.

September

Cardinal Mindszenty leaves refuge in U.S. Embassy, Budapest, for residence in Vienna.

1972

February

Economic and political differences with Soviet Union surface. Kadar and Fock go to Moscow in February and March to smooth over problems.

Area Brief

LAND (U/OU)

Size: 35,900 sq. mi.

Use: 60% arable, 14% other agricultural, 16% forested, 10% other

Land boundaries: 1,395 mi.

PEOPLE (U/OU)

Population: 10,405,000, average annual growth rate 0.3% (current); density 289 persons per square mile

Ethnic divisions: 93.4% Magyar, 2.5% German, 2.4% Gypsy, 0.7% Jew, 1% other

Religion: 68% Roman Catholic, 20% Calvinist, 5% Lutheran, 7.5% atheist and other

Language: 93.2% Magyar, 1.8% other

Literacy: 98%

Labor force: 5.0 million (1 January 1971); 26% agriculture, 44% industry and building, 30% other nonagricultural; females account for 41% of industrial work force Males: 2,659,000, of whom 2,140,000 considered fit for military service. About 90,000 reach military age '18) annually

COVERNMENT (U/OU)

Legal name: Hungarian People's Republic

Type: Communist state

Capital: Budapest

Political subdivisions: 19 megyes (counties), 5 autonomous cities in county status, 113 jaras (districts)

Legal system: Based on Communist legal theory, with both civil law system (civil code of 1960) and common law elements; constitution adopted 1949; Supreme Court renders decisions of principle that sometimes have the effect of declaring legislative acts unconstitutional; legal education at Lorand Eotvos Tudomanyegyetem School of Law in Budapest and 2 other schools of law; has not accepted compulsory ICJ jurisdiction

Branches: Executive—Presidential Council (elected by Parliament); legislative—Parliament (elected by direct suffrage); judicial—Supreme Court (elected by Parliament)

Government leaders: Jeno Fock, Chairman, Council of Ministers; Pal Losonczi, President, Presidential Council Suffrage: Universal over age 18

Elections: Every 4 years; national and local elections are held separately, two years apart

Political parties and leaders: Hungarian Socialist (Communist) Workers Party (sole party); Janos Kadar is First Secretary of Central Committee

GOVERNMENT (U/OU) (Continued)

Voting strength (1971 election): 7,260,856 (98%) for Communist-approved candidates; 76,725 (1.4%) invalid and negative votes; total eligible electorate about 7.3 million

Communists: About 693,000 party members (June 1971) Member of: CEMA, FAO, IAEA, ICAO, ILO, ITU,

UNESCO, U.N., UPU, Warsaw Pact, WHO

ECONOMY (S)

CNP: \$16.7 billion in 1971 (at 1970 prices), \$1,610 per capita; 1971 growth rate 4.6%

Agriculture: Normally self-sufficient; main crops—corn, wheat, potatoes, sugar beets, wine grapes; caloric intake 3,140 calories per day per capita (1970)

Major industries: Mining, metallurgy, engineering industries, processed foods, textiles, chemicals (especially pharmaceuticals)

Shortages: Metallic ores (except bauxite), copper, high grade coal, forest products

Crude steel: 3.11 million metric tons produced (1971), 300 kg. per capita

Electric power: 3,150,000 kw. capacity (1971); 15 billion kw.-hr. produced (1971), 1,450 kw.-hr. per capita

Exports: \$2,500 million (f.o.b., 1971); 26% machinery, 23% industrial consumer goods, 27% raw materials and semimanufactures, 24% food and raw materials for the food industry (distribution for 1971)

Imports: \$2,990 million (1971); 26% machinery, 9% industrial consumer goods, 54% raw materials and semimanufactures, 11% food and raw materials for the food industry (distribution for 1971)

Major trade partners: \$5,490 million (1971); 67% with Communist countries, 35% with non-Communist countries Aid: U.S.S.R.—\$338 million extended (1956-64), \$10 million extended in 1967 and \$167 million extended in 1968; to less developed non-Communist countries—\$435.3 million (1954-71)

Monetary conversion rate: 10.81 forints=US\$1 (arbitrary commercial); 27.63 forints=US\$1 (noncommercial)

Fiscal year: Same as calendar year; economic data reported for calendar years

COMMUNICATIONS (S)

Railroads: 5,908 route mi.; 5,098 mi. standard gage, 788 mi. narrow gage (mostly 2'5%''), 22 mi. broad gage (5'0''), 688 mi. double track, 581 mi. electrified; all but 96 miles government owned (1970)

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COMMUNICATIONS (S) (Continued)

Highways: 18,360 mi.; 11,048 mi. paved, 6,558 mi. crushed stone or gravel, 754 mi. earth (1970)

Pipelines: Crude oil, 500 mi.; refined products, 180 mi.; natural gas, over 1,200 mi.

Inland waterways: 1,320 mi. (1972)

Freight carried: Rail—129.8 million short tons (1971), 14.0 billion short ton/mi. (1971); highway—492.0 million short tons, 4.7 million short ton/mi. (1971); waterway— 15.4 million short tons, 1.9 billion short ton/mi. includes international transit traffic (1971)

River ports: 2 principal (Budapest, Dunaujvaros); no maritime ports; outlets are Rostock, East Germany, and ports in Poland (1972)

Civil air: 21 major transport aircraft (1972)

Merchant marine: 18 cargo ships (1,000 GRT or over) totaling 33,061 GRT, 45,038 DWT

Airfields: 61 total; 13 with permanent-surface runways; 17 with runways 8,000-11,999 ft., 20 with runways 4,000-7,999 ft.

Telecommunications: Services meet most government and industrial requirements, but local public telephone service is inadequate; radio and TV broadcasts can be received throughout most of the country; 11 AM, 4 FM stations, more than 2.5 million receivers; 1 major and 10 relay TV stations, 1.9 million TV receivers; 873,194 telephones (99.4% automatic)

DEFENSE FORCES (S)

Personnel: (estimated) Ground forces 90,000, naval forces 1,400, air force 6,000, frontier guard 20,000, interior troops 15,000; Soviet ground force troops in Hungary as of 1 October 1972, 50,000

Personnel in reserve (not on active duty): (estimated) Ground forces 690,000, naval forces 2,800, air force 40; (estimated) pilot reserves, additional 60-70 pilots and 110 other aircrews from civil aviation

DEFENSE FORCES (S) (Continued)

Major ground units: 6 divisions (4 motorized rifle, 2 tank), 1 SCUD (SS-1) tactical missile brigade, 4 regiments (3 artillery, 1 antiaircraft artillery), 1 airborne battalion Ships: 19 river patrol types, 42 minesweepers, 2 landing craft, 2 auxiliaries, 58 service craft

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Aircraft (operational): 163 (137 jet); 137 jet fighters, 2 turboprop transports, 7 prop transports, 12 turbine helicopters, 5 piston helicopters

Missiles: 14 SA-2 SAM sites (84 launchers); 3 SAM regiments (13 SA-2 SAM battalions); National SA-2 force capability is increased by the presence of 2 operational SA-2 sites and 6 operational SA-3 sites which are subordinate to Soviet Southern Group of Forces (stationed in) Hungary. Deployment of SA-4 (6 SA-4 battalions) is now in progress for defense of Soviet forces

Supply: Produces small arms, ammunition, explosives, light artillery, naval ships and craft, an armored reconnaissance vehicle, some trucks, chemical warfare defensive materiel and small quantities of agents, some types of electronic equipment; dependent upon Communist countries, primarily the U.S.S.R., for other military equipment including radar and missiles

Military budget: For fiscal year ending 31 December 1972, 9.72 billion forints; about 4.5% of total budget

INTELLIGENCE AND SECURITY (S)

III Main Group Directorate (Intelligence and Security Services); Ministry of Interior (commonly referred to as the AVH); I Group Directorate of the III Main Group Directorate (Foreign Intelligence Service); II Group Directorate of the III Main Group Directorate (Counter-Espionage Service); VKF/II (or General Staff/II Vezerkari Fonokseg), Military Intelligence Service

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