

December 10, 1956

Dear Allen:

Referring to the telephone conversation I have just had with you I send you enclosed (in duplicate) my little memorandum about a U.N. step - that is a resolution to be passed by the Assembly that in my opinion may represent a strong gesture giving recognition to the Hungarian people and probably be of some political effect also.

I greatly appreciate your willingness to read this and do something about it should you see any point in doing so.

With my thanks and best regards,

Yours sincerely,

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Victor Bator

Allen W. Dulles, Esq. STAT 2430 E Street Administration Building Washington, D. C. *** DOCUMENT NO. 1 NO CHANGE IN CLASS. DECLASSIFIED CLASS. CHARGED TO: TS S NEXT REVIEW DATE: _ ER- Lie AUTH: HR 70-2 STAT DATE: 190387 REVIEW

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December 10, 1956

The United Nations resolutions and the charitable care for the 100,000 Hungarian refugees are feeble substitutes for the support that the Hungarian people - fighting a battle vital for the free world - deserve. Yet the Western Powers seem to acquiesce in the belief that, short of war, nothing can be done now for those Hungarians who are in Hungary, who are and will remain the Hungarian Nation.

Yet, even within the possibilities open to the U.N. one further step may be taken at this stage. There are measures which if voted by the U.N. Assembly could heal the bitter feelings of the Hungarians that the free world passed them by and would give a sense of accomplishment to all the free nations, all free men - both important spiritual assets. This result could be achieved within the U.N. by resolving that:

1- The General Assembly instructs the Secretary General to form a Committee On Hungarian Reconstruction" of a number of Member-States for the preparation of a plan for the rebuilding and restoration of the cultural and material well-being of the Hungarian Nation, with as much aid from the U.N. and its Member-States as is required to make the reconstructed Hungary a living monument of the gratitude of the freedom loving world.

2- The General Assembly instructs the Secretary General to include in the 1957 budget the amount required by the Committee On Hungarian Reconstruction. The Committee shall be assisted by a permanent body of experts and staff for the preparation of the plan.

3- The General Assembly resolves that - upon the complete withdrawal of the Russian Army from Hungary - the U.N. shall actively seek the cooperation and contributions of its members for the speedy execution of the Hungarian Reconstruction Plan.

For those who may shirk from the magnitude of this undertaking it may be remembered that Yougoslavia has received from the Western World since 1948 (without hundreds of millions of UNNRA help) close to one and one-half billion dollars (London Times, February 7, 1956) in which the U.S.A. participated with close to eleven hundred millions. This was done with no certainty, then or now, that this investment would save that country from Russian domination.

Would a Hungary, not sitting on the fence but bravely fighting her way into the free world, not deserve a gesture and aid of similar magnitude? Approx For Release 2002/05/09 : CIA-RDP80201731R000400580004-5

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December 14, 1956

Dear Allen:

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Since I sent to you my short memorandum on December 10th, I have come to the realization that it does not make much sense to connect my suggestion regarding policy with the form in which it may be realized. My memorandum accompanying my letter of above date tried to achieve this, and it was a mistake. Now, when I am far from being an expert in U.N. procedures and in the routine of policy-making, whatever merit my suggestion may have should be explained as to its substance <u>only</u>, leaving its form and every other detail regarding execution to those who are experts therein.

On account of this I have written up my plan in a new form. I have omitted therein any reference to the procedure of how to carry out the project, how to bring it before the most suitable forum. On the other hand, I elaborated the arguments in its favor and tried to eliminate doubts that may arise in the mind of somebody who reads it.

As I told you over the telephone it was suggested to me to give it to C. D. Jackson. The idea behind this move is that he, being out of Government, may have an easier task in working for its adoption.

This letter was dictated originally last night when my memorandum was ready for mailing. I am re-dictating it now in order to add that this morning I saw C. D. Jackson. He has discussed the idea quite thoroughly with me and it is my impression that he wants and would like to do something about it. He asked me whether I had sent it to you and I told him that I had done so. I hope that by saying so I didn't go beyond what I could not avoid saying.

By the way it was Norris Darrell who introduced me to him and it seems that it was Norris who mentioned to him my friendly connection with Sullivan & Cromwell and, among others, with you.

Sincerely yours, Victor Bator

Allen W. Dulles, Esq. 2430 E Street Washington, D. C. ER-File Approved For Release 200

Our cold-war policies seem to have been aimed in the recent past at three results:

<u>First</u>-toward the neutralist countries of Asia to reinforce their neutrality with the help of financial and technical aid, with no strings attached;

Second- in relation to countries, yet independent but, - on account of their geographical situation - exposed to direct Soviet pressure to protect their independence by alliances and military and economic aid;

Third -toward the satellites, psychological warfare to promote their confidence in ultimate liberation.

Not having helped the Hungarian self-liberation with positive acts of support a feeling seems to arise on both sides of the Iron Curtain that the U.S.A. is not determined to follow up its cold-war policies with positive actions if events call for such an act.

This opinion - whether justified or not - may harm in the future not only the success of our psychological warfare toward the satellites but may endanger the effectiveness of our policy in relation to the two other groups of states, mentioned in paragraphs 1 and 2 also. Both the neutralists in Asia and the Bagdad pact countries may wonder: will not the U.S.A. fail to follow through its own policy in regard to their independence also when they may need positive support. Thus, something needs to be done that is beyond resolutions, moral condemnations and charitable help to refugees to establish confidence in American cold-war policies.

This may be achieved by a solemn statement of the President or the Secretary of State to the effect that,

As soon as the Russian Army will be entirely withdrawn from Hungary, and an independent Hungarian Government will be in possession of power, the United States and those who may associate themselves with her in this plan, will do their best:

First, to bring about the rebuilding of Hungary's

-2-

cultural life and economic well-being, by putting at the disposal of the Hungarian Nation money, raw materials, industrial equipment, food and technical assistance in an amount that shall make it possible for Hungarians to rebuild their country.

Second, to establish Hungary as a viable neutral country whose genuine neutrality shall be guaranteed by the United Nations.

Such a declaration is predicated on the assumption that Russia, for reasons which will be outlined presently, will not only tolerate an independent but neutralized country on her border but shall acquiesce therein as a way out of her present predicament.

It is my contention that a subservient Hungary is not a <u>conditio</u> <u>sine qua non</u> of Russian political power. In other words, a neutral Hungary is not an inconceivable proposition which a Russia, even at the zenith of her power, cannot accept. It is certainly not beyond intelligent diplomacy to work out the measures and palliatives which will protect Hungary's neutrality and will exclude the possibility that she may join a grouping of States, inimical or potentially dangerous to Russia.

The acceptance by Russia of an independent but neutral neighbor is not without precedent. Finland is a case in point. There is no reason to assume that this is impossible regarding Hungary. There are reasons inherent in the geographical situation supporting this assumption. But even if it were a bitter pill the Soviet leaders must realize by now that Russia will be better off without Hungary than with her as a rebellious satellite.

Here we come to a point where knowledge of national character or rather the image of a nation about itself plays an important role. There is hardly a Hungarian who does not believe that it is his 1,000 year old tradition to withstand and overcome foreign domination, at all costs. Every Hungarian fancies himself as a depository of this tradition. By now the Russians know that they cannot expect peace in Hungary. The poetic description of Churchill about the heroic resistance of the English to invasion by Hitler seems to have come true. They do

not flag or fail, they fight with growing confidence, they defend their island whatever the cost may be, they fight on the beaches, on the landing grounds, in the fields and in the streets. They shall fight in the hills and they shall never surrender. Really, how could the Soviets trust the incredible Hungarians ever? The Kremlin must know by now that a neutral Hungary is less undesirable than a country of 10,000,000 enemies filled with hatred in their hearts.

This is still not the whole story. Hungary will continue to tie down a sizeable portion of Soviet military strength. And, to boot, that task force will be separated from the Russian mainland by the Carpathians, a 10,000 foot high mountain chain. It should appear to a militarily conscious leadership that that is much too high a price to pay for the difference between a neutral Hungary and a rebellious satellite requiring the maintaining of a large army of occupation with no end in sight.

Returning now to our own side of the balance-sheet what will be our burden on account of the promise to be made toward Hungary? The reconstruction of as small a country as Hungary in a period necessarily spread over several years is a relatively small undertaking. It should not reach the size of the investment that has already been made in Yougoslav independence without certainty, then and now, that this will save that country from joining forces with our enemies. In the case of Hungary, that risk does not exist.

The charitable care of the refugees and the U.N. resolutions demanding the withdrawal of the Russian Army from Hungary are feeble substitutes of positive support of the battle of Hungarians for their freedom.

In fact, the handling of the Hungarian Refugee problem appears to the observer to be of a defeatist nature. If the Western World refused to acquiesce in the finality of Russian domination over Hungary (with or without the actual presence of Russian troops there) the Refugee problem ought to have been handled on a different basis. Why should a valuable and important section of the Hungarian Nation (writers, artists, engineers, students, outstanding athletes and the incredible freedom-fighters, among them 4,000 students of the Technical University of Budapest) be transported to the remotest corners of the world, from where return to their homeland, impoverished by this loss, will be an insurmountable difficulty, if the cause of flight is expected to end soon or at all?

And, all that the U.N. resolutions so far have demanded is the withdrawal of Russian troops. Unfortunately, this is not enough

-4-

for bringing about independence. In spite of absence of the Soviet Army from Czechoslovakia the long shadow of Russian tanks ready to move in seems to have been sufficient to keep that country under Russian domination and to eliminate every trace of genuine independence. Thus absence in the resolutions of the U.N. of ways and means for the protection of independence equals in political defeatism the political implications of the Operation Safe-Haven.

The declaration suggested in this Memorandum would be a step in the right direction. It aims at the establishment of an economically strong state as the basis of political independence provided by guaranties sufficient to protect it.



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NOV 23 1956

Mr. Victor Bato

Dear Victor:

Same -

Thank you for your thoughtful letter of November 20 concerning the situation in Europe.

As you know, policy matters of this nature are not within my jurisdiction, but I certainly an happy to have your views and I shall sound them out on some of my associates as the occasion mailed "123/2 presents itself.

Sincerely,

Allen W. Dulles Director

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November 20, 1956

Dear Allen:

Ambassador Lodge said yesterday in his UN Assembly speech that passing the UN resolution is "not much but something" and there seems to exist a general feeling of frustration all over the world that "short of war" nothing more can be done.

I venture to disagree. I have written in the enclosed memorandum a suggestion that is feasible and may prove itself more than a little something.

I realize that the timing of the pronouncement and the determination of the conditions subject to which the fulfilling of the solemn promise would begin and continue necessitates difficult decisions. That kind of government (Kados, Nagy, etc.) shall be qualified to receive the aid, what strings ought to be attached thereto, are problems about which I better not express an opinion as they must be controlled by factors that cannot all be known to me. Yet, subject to such reservations, the promise suggested in the memorandum may achieve all or some of the political effects I have outlined in the last paragraph:

I have in mind a speech of the President or the Secretary of State with solemn build-up of the moral obligation that we feel toward Hungary. It may be pointed out that: we owe a debt to the Hungarian writers, poets, artists who - in the last year first hoisted the flag of resistance and created thereby the intellectual foundation out of which the spirit of revolution sprang up; that we owe a debt to the Hungarian youth who with bare fist stormed the security police-fortresses; that we owe a debt to the Hungarian workers and peasants who followed the flag of freedom into open fight against tanks, artillery, airforce; and finally, that we owe a heavy debt to the Hungarian people whose revolution shook the foundation of the Eastern and Central European colonial Empire of Russia and gave back the hope of ultimate liberation to the 100 million people West of Russia who now suffer the indignity of oppression.

Yet all this is but an expression of my thoughts on how to

approach and garnish the essence of the resolution, the solemn promise. I hope that you will not find this idea hopeless.

With my kind regards,

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Sincerely yours,

Victor Bator

Allen W. Dulles, Esq. 2430 E Street Administration Building Washington, D. C.

November 20, 1956

HELP FOR HUNGARY

"Unable to assist the Hungarians directly in their struggle, millions of people in this country and the rest of the world are contributing money in the hope that they can help a little to alleviate their sufferings. To many Hungarians it is a poor substitute, perhaps, for the military help they crave; to the free outside world a meagre explation for the shameful feeling that it can do nothing to help a people who are fighting a lone and hopeless battle so vital to the free world itself. But both inside Hungary, where blood-shed, starvation and disease are causing appalling suffering, and outside, where refugees now number over 20,000, help in the form of medicine, food and clothes is still badly needed. Ferhaps, too, it can do a little to heal the Hungarians' bitter feeling that the free world has passed them by on the other side." -(Economist -London-November 17th).

This quotation expresses the reaction of the civilised world to the news about the desperate fight of a brave people for freedom and the helpless wringing of our hands on this side of the Iron Curtain.

The refugees' immediate help can probably be covered from the money that has been contributed from governments, charities and individuals all over the world. The medical care of the wounded, the feeding of those who are exposed to starvation or physical sufferings will be done by the Red Cross and other church and charitable organizations which may be admitted into Hungary by the Russian occupation forces and their puppetgovernment.

All this, however, is but a relief-measure, may assuage but will not achieve more. Reliable information from Hungary shows that the destruction of buildings, railways, roads, public services is greater than what that unfortunate country suffered as the battlefield between the German and Russian armies and from successive German and Russian conquests. Ambassador Lodge said yesterday, and mostly everybody seemed to agree, that the UN resolutions were "hot much but something" and that, short of war, nothing more could be done now.

This is not true. We can do more. A solemn promise of the Assembly of the UN or of the Government of the U.S.A. and of

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This is not true. We can do more. A solemn promise of the Assembly of the UN or of the Government of the U.S.A. and of all other governments who might choose to join our promise to

rebuild Hungary, her cultural and material life not into the state in which it was before the revolt but into a splendor that was hers before the devastation of World War II and the destruction suffered by successive German and Russian devastations

would be more than the moral condemnation of Russia by a UN resolution, would be not only "something" but "more".

For purposes of comparison let us remember that Yougoslavia has received in help from the Western World close to 1-1/2 billion dollars (London Times, February 7, 1955) and from the U.S.A. alone 500 millions in armaments, another half a billion in economic help until 1955 (N.Y. Times, July 29, 1955) and another 95 millions in 1956, altogether close to 1100 million dollars.

In this frustrating helplessness in which we and the whole world seem to find ourselves it would be much and of immense political and moral import if the President or the Secretary of State went into the Assembly of the UN and personally submitted a resolution that

at an appropriate time and as soon as political conditions in Hungary will make it safe that aid to Hungary will be to the benefit of the Hungarian nation the UN will undertake to grant in money and raw materials, food and technical assistance an amount comparable to what other freedom loving countries have received since the war and that the U.S.A. will undertake to participate therein in full proportion to its resources.

Such a resolution will achieve three purposes: 1st- it will "heal the Hungarians' bitter feeling that the free world has passed them by on the other side." 2nd- it will lift out of desperation over our helplessness the American people and the entire Western world. 3rd- it may have tremendous political effect on the other people behind the Iron Curtain to whom Russia now wants to give a lesson about the destruction that revolt may bring upon them.