Thomas Cooper: Dezső Kosztolányi and Intertextuality
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Anikó Sohár: Pseudotranslations in Hungary after 1989
Adam Makkai, ed.: In Quest of ‘Miracle Stag’: The Poetry of Hungary
(Reviews by Richard Aczel, Thomas E. Cooper, Christof Scheele, Mihály Szegedy-Maszák)
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By late 1949 the bipolar structure of the world had already taken shape. Both the United States and the Soviet Union had decided that not only was there no longer any ground for their cooperation, but to continue cooperating would menace their respective positions in the world, if not their very existence. Hence the most pressing issues that faced the victorious powers remained unresolved. No collective peace treaty was signed with Japan, and Germany ended up as two separate states. The division of Germany had not been premeditated, but it was probably inevitable. Nevertheless, Stalin, at least, may have kept hoping for its unification until his note of 1952 was turned down by the Western powers. World politics seemed now to function as a zero-sum game: a loss for one superpower constituted a gain for the other, and vice-versa. A case in point was China, where Mao Tse-tung’s victory meant the “loss” of that country for the United States. This loss was exploited by Stalin through the signing with China of a pact of friendship that guaranteed military, political and economic gains for the Soviet Union. In exchange Moscow recognized Chinese sovereignty and the Chinese communist party’s preeminence in leading revolutionary movements in the Asian region. Subsequently, the North Korean invasion of South Korea received support from the Kremlin, which had come to be convinced by Kim II Sung that a revolutionary situation existed in Korea. Stalin, who thought that a friendly regime ruling the whole Korean peninsula was needed in order to hold off a seemingly inevitable Japanese revanchist invasion of the Soviet Union, agreed to support Kim on the assumption that the United States would not intervene. This turned out to be erroneous, and Washington launched a counterattack under United Nations auspices. Learning from the experiences of European diplomacy in the late 1930s, when the democratic powers had mistaken each of Hitler’s aggressive steps as Germany’s final move rather than as what they actually were, the stepping-stones for further gains, the United States regarded the Korean aggression as a mere prelude to further communist expansion orchestrated by Moscow. The Korean aggression as a result gave a strong impetus for the United States to drastically increase its military preparedness. The division of the European continent
was complete. Political relations between East and West were so hostile that virtually no contact remained between them. Relations had degenerated into mutually slanderous political campaigns; and the Soviet “lager” lined up unequivocally behind the Soviet Union in all questions of international relations. In fact, the communist regimes of the people’s democracies by and large identified their own national interests with those of the Soviet Union; and they shelved mutual grievances to increase bloc solidarity. A rift appeared within the Soviet bloc itself, as Josip Broz Tito’s otherwise Stalinist Yugoslavia was ostracized from the family of fraternal communist nations. Moscow’s allies slavishly followed an anti-Yugoslav course to such a degree that minor clashes on the Hungarian-Yugoslav border, for example, became every-day occurrences. The Soviet bloc embarked on a campaign of military build-up in 1948, which, as a result of Stalin’s insistence that the newly created people’s democracies had to share the burden of preparing for the seemingly inevitable military conflict with the “imperialists,” was drastically accelerated in January 1951. The continental division involved to a considerable extent economic issues. On the one hand the United States introduced an economic embargo starting in 1948 against the Soviet bloc and was joined reluctantly by its European allies. On the other hand the Soviet Union, which had failed to secure East-West trade on its own terms, imposed a policy of autarchy on its allies and made preparations for close economic cooperation and even coordination among the members of the Soviet orbit. The American imposed embargo was never watertight because Western Europe remained strongly interested in trade with the East and vice versa. Nevertheless, the flow of ideas and people came to a virtual standstill. Western ideas only reached people behind the iron curtain illegally, through radio broadcasts; and except for some limited travel for business purposes East Europeans were not allowed to visit the non-communist world.

The Soviet export of Stalinism introduced a large degree of political and economic uniformity on nations with such divergent backgrounds as Czechoslovakia and Bulgaria. The Kremlin also tried to shape these societies to the Soviet Union’s own image by attempting to destroy social autonomies, that is to eliminate much of what makes a society a society. Explained in terms of realpolitik, the export of Stalinism allowed the Soviet Union to secure its conquests in Eastern Europe by creating a political system that could exist only through dependence on the Soviet Union and by which the new rulers of Eastern Europe would give their loyalty to Stalin or else be swept from power. In Hungary’s case the key to Soviet control was the unquestioned ideological obedience of its rulers, even though in practical matters they sometimes represented slightly different positions. The role of ideological commitment cannot be overestimated, and it was exactly this commitment that made the real difference in the control the Soviets had before and after the communist seizure of power. This made continuous, direct Soviet interference in Hungarian affairs unnecessary all the more so, since the first secretary of the party
Mátyás Rákosi, and possibly others as well, sought policy guidance from the Soviets, sometimes even directly from Stalin, on a regular basis. As Rákosi explained in his memoirs, in communist usage “advice” in actual fact meant “instruction”. Of course this was complemented by the “hard” components of the Soviet presence: the Soviet army and the significant number of advisors who worked in all the ministries, the army, the police, the political police, and the economic establishments. One would expect that these advisors were imposed on the country, but the records suggest that the Hungarian leaders actually asked for them. This fact, in turn, reinforces what was said earlier about the Hungarian leadership’s voluntary obedience and commitment to the Soviet Union. Sometimes the Soviets did not send advisors on time, and the Hungarians had to keep asking for them. For example, on one occasion Moscow dragged its feet about sending the three military advisors requested by a Hungarian delegation in negotiations with Bulganin and Shtemenko.

Even so, Hungary was not sovereign in the years under discussion. Kenneth Waltz argued that to “say that a state is sovereign means that it decides for itself how it will cope with its external and internal problems including whether or not to seek assistance from others and in doing so to limit its freedom by making commitments to them”. While Waltz recognized that constraints restrict a nation’s freedom to act, he would not regard a nation as sovereign unless it surrendered its freedom of action voluntarily. Hungary did not surrender its freedom of action voluntarily, and the leaders of the regime, who sought Soviet guidance for their actions, were put in place and kept in power as a result of foreign interference. The Rákosi regime not only owed its existence to Moscow, but even its political structure was determined there, and it made important appointments only after consulting with the Soviets. Hence, for example, in 1950 the chief of staff of the Hungarian army was appointed “in agreement with the Soviet advisor comrades”. In fact, in a time of crisis in June 1953 Moscow actually intervened directly to implement a significant change in the make-up of the Hungarian leadership and to steer the country to a new political course.

Hungary adopted the Soviet political structure not only in the formal, bureaucratic sense but also in that the highest party decision-making organ, the Political Committee was not consulted in the most important policy issues. In June 1953, when Rákosi was demoted in Moscow, the members of the Politburo felt free to air their frustration for not having been consulted, for their views having been disregarded, for their opinions not having been solicited, and for having been intimidated to keep silent. According to Politburo member Károly Kiss, Rákosi, Gerő, Farkas and Révai decided on issues of national importance during the course of discussions among themselves. The most important matters were decided in such conversations and were not addressed either in the Politburo or the Central Committee. A Committee of Defense with three members was created on Sta-
lin’s advice in 1950. It included party leader Rákosi, Minister of Defense Mihály Farkas, and Ernő Gerő.16 This committee was in charge of all issues related to political and economic affairs, as well as national defense, and was not responsible to any other organ. After 1953 the situation changed in the sense that many momentous political issues came to be decided by the Political Committee. These included: the dismissal of Imre Nagy and subsequently that of Mátyás Rákosi, the fate of Mihály Farkas, and issues such as the fate of the Hungarian-Soviet joint companies and the Soviet-Hungarian uranium agreement. On some occasions, as during the critical debates on the fate of Rákosi in July 1956, a Soviet representative was present and offered his views, but he did not decide the outcome. The judicial branch of government was subordinated to the executive branch to such an extent that, for example, in the Rajk trial the Hungarian Workers’ Party (HWP) leadership decided not only that the defendants would be found guilty, but also what sentences – mostly death – they would receive. Even before the trial Rákosi confided to Baranov that Rajk would be tried and then executed.17 Although the parliament existed, it had no role in legislation. Laws were passed in the form of government decrees, which in turn were formulated by the party leadership. To make sure that the Parliament would cause no inconvenience, its members were almost exclusively drawn from the party. The exact percentage of non-party members was decided prior to the elections.18

Communication with the Kremlin was conducted through several channels. One obvious choice was the Soviet embassy in Budapest, and this line of communication was especially active in the summer months of 1956, when Soviet Ambassador Iuri Andropov regularly consulted with Hungarian party leaders. A more direct contact to the Kremlin was offered by the so-called VCh line, which connected the HWP’s first secretary to the Stalin secretariat. This line of direct communication was opened in 1949, but one had already existed in Sofia for Dimitrov, and there were two such lines in Warsaw: one for Minc and the other for the Polish central committee. Such lines of communication were also at the disposal of the Soviet ambassador and the military attaché.19 The first Hungarian record for its use dates from 1953, but it had almost certainly been used beforehand.20 Rákosi is also known to have sent messages to his mentor and superior in Moscow in ciphered telegrams, the Russian texts of which were collected in hard bound diaries. These were addressed to comrade Filipov or a variant of this pseudonym. The Hungarian party boss asked for Moscow’s policy guidance in twenty-two such messages, but the Vozhd seldom bothered to answer. His silence was probably taken as acquiescence.21 Rákosi also sent letters, which were delivered to the addressees by political emissaries. Similarly to the ciphered telegrams, these contained proposals and requests to be heard and acted upon in the Kremlin. Finally, Rákosi was received personally by Stalin in Moscow, or elsewhere in the Soviet Union, on eight or nine occasions. Unfortunately no written record of these meet-
ings has been found. The lower level communication, for example between Hungarian ministries and their Soviet counterparts, was done through the well-paid Soviet advisors, who worked in Hungary.

Rákosi was surrounded by a cult of adulation, but as he himself admitted, he was only a “disciple” of Stalin. Nevertheless, by his own admission, Rákosi considered himself to be the best of these disciples. Indeed, the international hierarchy was scrupulously observed by the state controlled media, as well as in every other forum. The ultimate light, wisdom and guidance came from the Soviet Union in general and from Stalin in particular. Prior to 1949 this had not been so. On one occasion the party leadership, including Gerő, Farkas and Rákosi, received strong criticism for disregarding the interests of the Soviet Union in economic, cultural and propaganda affairs, for distancing themselves from the Soviet Union in their fear of being branded as Moscow’s agents, and for deviating from the correct line toward a “nationalist” tendency, the most serious error of all. The Hungarian dictator, whether he knew about the criticism or not, made a point of not repeating these mistakes and did his very best to follow what he thought Stalin, whom he considered the most fit to serve as the Communist Party of the Soviet Union’s (CPSU) first secretary, wanted him to do. Rákosi’s recently published memoirs support the view that like Molotov, he remained a Stalinist to his last breath. He was seemingly not after wealth, or even after power for its own sake. He had devoted his life to the great cause and no amount of corpses, blood, sweat, or tears could stand in his way. He regretted nothing he had done. He knew his own and his country’s limits. This did not mean that the Hungarian communists and Rákosi did not each have their own separate agendas. On some occasions the Hungarians strove to assert Hungary’s interests vis-a-vis the Soviet Union. This was particularly true in the effort to reduce the size of the payments demanded by the Soviets under various pretexts. On at least two occasions the Hungarian communist leaders sought to protect the interests of the Hungarian minority in Slovakia after the treaty of friendship had been signed with Czechoslovakia. Rákosi objected to the Slovakian policy towards the Hungarian national minority, which “contradicted the Stalinist nationality policy, as well as the treatment of Hungarians in Romania and the Soviet Union”. He wrote a critique of an article that appeared in the journal Novoe Vremia, calling its suggestion to limit the political right of the Hungarian minority in Slovakia “harmful”. He demanded that the journal publicly renounce this “incorrect attitude”. The Hungarian party’s chief ideologist József Révai asked his Soviet counterpart Suslov whether the Hungarians could raise the issue in the Informburo and asked for the help of the “fraternal parties” to resolve it. Suslov, however, recommended a bilateral approach. As the historian János M. Rainer has argued, Rákosi on occasion produced his own initiatives. Some of these were bold indeed and suggest that he might have been seeking some kind of a leading role for himself in the region in
pursuing ideological battles. He tried to play an active role against Yugoslavia by recommending that an émigré Yugoslav press organ be edited in Moscow, or one of the people’s democracies (no doubt he was thinking of Hungary), a “unified Yugoslav center” and an illegal communist party on Yugoslav territory be set up, and military partisan activity against his southern neighbor be organized. He even suggested armed struggle against Tito.

Rákosi’s anti-Yugoslav fervor became apparent in the way that he pursued the Rajk trial. In this show trial Rákosi attempted to stretch Moscow’s leash the farthest, and his personal ambitions—as well as those of Mihály Farkas—became most apparent. Similar trials were taking place all over Eastern Europe, including Bulgaria, Albania, Poland and in the Soviet Union itself. Although the Rajk trial was directly, or indirectly, initiated by the Soviet KGB, the size of the campaign, the selection of the defendants, many of the trial’s motives, and the sentences were contrived by the Hungarian government in general and Rákosi in particular. While Rajk was tortured to obtain the necessary confession, based on which the case was prepared, in Poland Gomulka was arrested only in 1951, was not tortured, and did not confess to anything. The Polish authorities could not come up with a case against him, and as a result Gomulka escaped Rajk’s fate.

The charge that Rajk had been a police agent of the former regime was developed by the Hungarian political police, while the other concept, namely that the former Minister of the Interior was a Titoist agent came from the KGB and Rákosi. The Hungarian party leader could not have known that his role in the show trial would turn against him and prove to be his demise. At the time, however, the Rajk affair seemed to provide a chance for Rákosi to refute the earlier accusations from the Soviets that his position in the struggle against the Hungarian Trotskyists had been incorrect and had impeded the struggle of the Soviet and Hungarian state security organs against them. By “revealing” the Rajk case’s international connotations, Rákosi “helped” to “unmask” the enemy that had wormed its way into the ranks of the fraternal parties. He spread the word that there existed “a unified spy ring” in the people’s democracies, “especially in Czechoslovakia.” He then proceeded to pass along the details and the lists of spies to Prague, Bucharest and Warsaw. His main targets were the Czechoslovaks in general and Klement Gottwald in particular, whom he accused of not doing anything to unmask and reveal spies and enemies within his party. There may even have been a personal motive involved for Rákosi because Gottwald had pursued an unrelenting campaign against the Hungarians in Slovakia. Rákosi had protested against this campaign, and Gottwald had responded by refusing to talk to the Hungarian communist party. The ambitious Hungarian dictator penned a letter in which he named sixty-five alleged Anglo-American spies. Dissatisfied with the apparent lack of results, Rákosi sent his brother Zoltán Bíró to Prague. Bíró asked Gottwald what action the Czechs had taken in view of the Rákosi letter; and the Czechoslovak party leader re-
responded that they had set up a trilateral commission and arrested fifteen people. Rákosi’s envoy expressed his dismay that the Czech Ministry of the Interior was sabotaging the exposure of the spy ring because Interior Minister Nosek had been implicated in the confessions of the spies arrested in Hungary. Provoking his hosts even further, Bíró condemned the slowness of the tripartite commission and advocated the arrest of most of the suspects. Furthermore, he asked Gottwald whether “the Czechoslovak comrades were menaced by the treason of the Czechoslovak army’s generals, and that of Svoboda in particular”. Bíró was then assured that, just as the Hungarian army, the Czechoslovak army was also under constant cleansing. Gottwald was visibly troubled and asked whether the Rajk trial could be conducted without mentioning any of the Czechoslovak names. Bíró responded that the Czechs were underestimating the international significance of the Rajk case.32 Rákosi then called the Soviets’ attention to the fact that the Hungarians had unmasked Nosek and Clementis as spies. As Rákosi noted, “the Soviet organs and authorities give little assistance, what is more, they sometimes do not pay enough attention to the numerous spy groups that have been arrested by the Hungarians”.33

Although Rákosi’s international initiative seems to have lost steam, his domestic campaign against enemies inside and outside the party gained momentum. This process was in tune with the Stalinist dogma of the sharpening of the class struggle. “Political consolidation and the increase of the class struggle were not contradictory conditions,” as the chief ideologist József Révai put it. According to the diabolic explanation, “as the enemy weakened, its resistance grew”. Another leading communist also observed, “on the higher stage of development the class struggle intensifies” and this was “inescapable”.34 The class struggle was constantly increasing in Poland as well, where the dogma had been introduced in 1948 as a method to fight “right wing nationalist deviations” and enemies inside and outside the party.35 On June 2, 1956 Rákosi talked to the Soviet ambassador, Ievgeni Kiselev about the need to arrest 500 social democrats in the “near future” and to “organize concentration camps for them”. It didn’t make a difference whether they were right wing or left wing, they were “all the same, informers all of them”.36 Rákosi later informed Stalin of his desire to arrest Marosán and Ries, the former social democrat leaders, and to organize open trials for them. Stalin agreed to their arrest, but wanted a closed trial.37 Later other arrests followed, including those of Árpád Szakasits, who had been head of state for a while, János Kádár, a former Minister of the Interior, Sándor Zöld, Kádár’s successor at the Ministry of the Interior, Gyula Kállai, the Foreign Minister, and even Ernő Szűcs, the deputy head of the secret police. Zöld knew what was waiting for him when he was dismissed by the party boss at a Politburo meeting on April 20, 1951. He went home, killed his family, and committed suicide.38 The Hungarian Politburo was not consulted on such arrests, but “consented” to them after the event. There is no indication that Moscow instructed the Hungarians to make any of the arrests, but usu-
ally, although not always, gave its consent either expressly or by silence. In fact, historian János M. Rainer has noticed, on some occasions the Kremlin might even have exercised some restraint on the head of the HWP. Once Stalin prohibited the dismissals of Gábor Péter, the head of the secret police, and Mihály Farkas. “Why do you want to shoot Mihály Farkas?” and “What is wrong with Gábor Péter?” Stalin had asked. When Rákosi started to list their mistakes, the Vozhd waved him down, “leave them alone”. Thus, Rákosi became convinced that the two would-be victims had gotten wind of what was in the making and had alerted their respective patrons, Bulganin and Beria, to save them. Others were not so lucky. Heavy purges were carried out in the army and the air force; and “a whole line of officers, who had systematically disabled aircraft, had to be arrested”. The purges began with the cleansing of bourgeois saboteurs and the trial of Archbishop Mindszenty in 1949. These were followed by the proceedings against “left wing social democrats”. This phase involved 431 people. The trials of army generals came next. In the Sólyom case forty-four people were convicted, and ten of them were executed. The continuing struggle against “clerical reaction” was marked by the trial of Archbishop Grősz. It is not hard to see that the proceedings followed the pattern of similar trials as they had been developed in the Soviet Union during the 1930s.

On January 13, 1953 Pravda informed its readers that the Soviet security organs had unmasked a group of murderous Zionist doctors. The “Zionist doctors” were allegedly in the service of an “international Jewish bourgeois-nationalist organization, Joint, which had been established by American intelligence services”. Historians differ as to what the precise purpose of the doctors’ plot might have been. The possibility exists that it was a prelude to an all-out campaign against Soviet Jewry. On the other hand, in his recent book Vojtech Mastny has argued that the doctors’ conspiracy to shorten the lives of distinguished patients may have had some foundation, and that there is no evidence to support that it signaled an all-out anti-Semitic campaign. Be that as it may, it had a very concrete repercussion in Hungary. The communist daily Szabad Nép carried the Pravda report on the Zionist plot. A few days after a bomb exploded at the Soviet embassy in Israel, on February 11, 1953, which had sparked off massive arrests of Jewish intellectuals in the Soviet Union, Mátyás Rákosi, who was himself Jewish but who had been quite willing to exploit popular anti-Semitic sentiments for his political ends, delivered a speech to the HWP Politburo on the Zionist threat. He accused the United States of “mobilizing Zionism and Israel” to increase the work of spies and saboteurs in the people’s democracies. Rákosi explained that although one would think that the Catholic church was the largest center of espionage, in reality Zionism had gained prominence as a cover for spying because “Jews are everywhere”. He then referred to the Rajk trial by saying that most of the people, who were sentenced to death, were “petit-bourgeois Jews,” and in fact the original Hungarian concept had been to launch a campaign against Jewish...
cosmopolitanism. Rákosi alluded to the recent arrest of the secret police’s Jewish leader Gábor Péter, whom he accused of having worked with Nazi and Zionist police informers, and promised to “investigate” whether Zionists had infiltrated the party. Of this infiltration, Rákosi seemed to be convinced. He called for increased vigilance in view of the fact that the president of the Israeliite religious community in Budapest had “turned out” to be a former “spy for the Gestapo”. The drive against the Zionists would not be anti-Semitism. “Good” Jews, who supported the people’s democracies, would not be persecuted. The allusion to Zionism as a center for American spying was by no means a coincidence. Although the trial was never staged because Stalin suddenly died, the preparations for a large anti-Semitic campaign had begun in the Fall of 1952. The Hungarian authorities had prepared various scenarios, all of which followed the pattern set by the Slansky trial in 1952. According to Slansky’s confession, American and Israeli leaders had agreed at a secret conference in 1947 that the Zionist organizations in Eastern Europe would be the center of anti-Communist espionage and subversion. In return the United States would support Israel. That is, Zionist agents had wormed their way into the higher echelons of Hungarian political life, the economy, and the state security organs. All of them had previously served the Gestapo. According to the preliminary hypothesis, Jewish conspirators could be found in the political police, in the Jewish religious organizations, and in important economic positions. They received their instructions from the World Jewish Congress and Joint and passed on intelligence to the United States secret service. Zionist engineers were sabotaging production; and Zionist doctors were standing ready to murder party and state leaders.

The first phase in the preparation for the “trial of trials” was the arrest of the leader and other high ranking officers of the ÁVH, or political police. Even though the ÁVH men had themselves been working on unmasking a Zionist conspiracy, they now found themselves accused of being Zionists themselves. On January 6, 1953, three days after Gábor Péter’s arrest, Ernő Gerő, Mihály Farkas and Béla Vég instructed the ÁVH to pursue the matter along the following lines: Yugoslavia, American spying, the Horthy police and the Zionists. One doctor, a colonel of the ÁVH who was arrested, found himself accused among other things of several murders and of deliberately maltreating senior comrades. Some eighty to ninety people were detained, including Lajos Stöckler, the president of the National Representation of Hungarian Israelites. The great show trial never took place. The charges of Zionist conspiracy were dropped in the summer of 1953, and with the help of Soviet experts a new party line was initiated. Many of the suspects were let go. Gábor Péter and “his gang” stood trial for economic crimes, such as selling passports to rich people who wanted to leave the country. These charges were well-grounded. Their arrest provided a great opportunity for the HWP leaders to accuse Péter of “misleading” them about Rajk and the other communist victims
of the purges. It turned out that it was not Rákosi who was responsible, but Péter and his associates. In the summer of 1956 Péter took vengeance on Rákosi, helping to destroy him by revealing his former master’s true role in the show trials of 1949.

The function of terror in a Stalinist society was to enforce compliance, to destroy pre-existing values, to break down preconceptions, to make it easier for the new revolutionary values to take root, and to facilitate the politicization of society. Stalinism was an ideology of perfection. Hence, by definition there could be no problems that could not be solved. Should a solution fail, failure could not be attributed to the ideology, only to antagonists. Consequently, there was no place for error, there were no accidents or honest mistakes. In the implementation of terror against real and imagined “hostile elements,” Hungary followed the Soviet model closely, not only because Moscow demanded it, but also because the country’s rulers believed in the dictatorship of the proletariat. Rákosi agreed with Lenin’s definition, “Rule founded on violence unconstrained by law”. Even one decade after his fall, Rákosi still believed that Stalin’s definition of the kulaks remained valid. In 1955 almost seventy thousand people worked for the Ministry of the Interior. Most of them belonged to the border guards, or wore the uniform of one of the police organizations. Their enemies were numerous. According to contemporary Soviet figures the cases of 362,000 people were taken to court in 1951, and additional administrative, meaning police, proceedings involved another half million. Even so, in 1953 Zoltán Bíró, the deputy head of the Central Committee’s Agitation and Propaganda Division, estimated that there were still around 500,000 hostile elements in a country of less than ten million. Beria believed that 1,500,000 people had been subjected to legal proceedings prior to 1953. Up to the end of the first quarter of 1953 alone the courts tried 650,000 people and sentenced 387,000; the police meted out punishment in 850,000 cases. As a comparison, in Poland there were six million names on the list of “criminal and suspicious elements” in 1954, that is one third of the adult population. In 1950 thirty-five thousand political prisoners were held in Polish jails. Of course the massive hunt for “enemies” did not cease after 1953. A note prepared by József Révai sheds light on the list of those the system regarded as enemies: Zionist and Hungarian bourgeois nationalists, the remnants of capitalists, kulaks and cosmopolitans. “It is impossible not to talk about the bourgeois remnants of ideology beside the remnants of the capitalist classes, which nourish the hostile forces. In Hungary these remnants are much larger and more dangerous than in the Soviet Union, because in Hungary there was hardly any struggle against them and the majority of our intelligentsia is bourgeois”. The chief targets were the former “ruling classes” and the kulaks. Rákosi borrowed Stalin’s interpretation of the kulaks and considered them the most implacable enemies of Socialist construction. According to this view, the kulaks along with the former “ruling classes”
needed to be liquidated. In a campaign against the former ruling classes almost 13,000 were deported from Budapest in 1951 and forced to live in distant parts of the country – usually small villages – that the authorities had designated for them. They were compelled to give up their immovable property and could take with them only what they could carry. What they left behind was allocated to reliable cadres.

In fact, the enemy seemed to be everywhere: entrenched in the top and lower echelons of the party, in the ministries, in the factories, in the mines, and even within the Soviet-Hungarian joint companies. Thus, for example, saboteurs were discovered in the joint Soviet-Hungarian oil and bauxite companies, and oil proved to be a sensitive point for the Hungarian economy. With the nation’s top geologist having been incarcerated in connection with the MAORT case, neither the Hungarians, nor their Soviet assistants were able to find new oil deposits to replace the existing, ageing oil fields. According to a report to the Politburo, the joint oil and bauxite companies had become the reservoirs of hostile elements. Shadowy figures, such as former “Horthyite” officers, or their sons, and former landowners, have swarmed in particular into the positions around the Soviet comrades and were creating an anti-Soviet atmosphere. They exploited their skills in Russian to foster antagonism among the Soviets and the Hungarians. The interpreters deliberately mistranslated in order to create conflicts.

As elsewhere in Eastern Europe the judicial branch of government was reorganized in accordance with the Soviet model. The courts were supposed to protect the existing political system, and the Hungarian legal system adopted the Stalinist concept of presumed guilt. One did not have to commit a crime to be dangerous to society. If an individual could be expected to commit a crime, he could be sentenced. In one instance a certain István Szabó was tried by a military tribunal because his adopted son was charged with treason. The judge admitted that Szabó knew nothing about his son’s alleged spying activities. Nevertheless Szabó was considered “dangerous to society since his close relative became a servant of the treasonous Titoist gangs, and through this he himself can be used for subversive activity against our people’s democracy”. In order to make the system of persecution efficient, some 40,000 informers assisted the authorities. In addition, the obligation of people to report crimes was carried to absurdity. Hence, individuals were obliged to inform the authorities about crimes they suspected might happen. Thus, the notorious judge Ferenc Andó charged four defendants with failure to report an alleged spy with whom they had illegal business activities, which included the purchase of nylon stockings, but of whose alleged spying they knew nothing. According to Andó, “Concretely none of them [the defendants] were told that Fazekas was an imperialist spy, and his spying activities were known by none of them. But purely the things they knew about him [the alleged spy], in the present international situation with the obligatory political vigilance binding on all Hun-
garian citizens, they could have been expected to conclude that Fazekas was spying. Today, when the sharpening of the class struggle and the ever increasing aggressor activities of the imperialists are demonstrated by the various forms of subversive activities, which have been cunningly camouflaged, the law that regulates reporting obligations of imperialist activities can be interpreted only according to the demands of increased vigilance.”

Molotov recounted that when his wife was arrested, he did not know what happened to her until she was set free a few days after Stalin had died. This was the established pattern in the Soviet Union, and it seems that it was democratic in the sense that no exceptions were made. The system where a person, who had been arrested for anti-state activities, disappeared after a closed trial was adopted in Hungary as well. On one occasion a junior air force officer was arrested for “being a member of an imperialist spy ring composed of aviation officers”. Almost two years later his father turned to the first secretary of the party and requested information on his son, who had given no sign of himself for two years. His family had no idea where he was, or what crime he had committed.

The Hungarian communists outdid even their masters in the Kremlin in their revolutionary zeal and persecuted far more people than the Soviets thought desirable. In fact, the large number of mostly unjustified sentences seemed to threaten the stability of the system, and this threat proved to be one of the reasons why Rákosi was reprimanded in June 1953. On one occasion the Budapest party secretary accused the Soviet companies in Hungary for employing too many old cadres. He told the Soviet ambassador that the Hungarians wanted these companies to be rid of “unreliable” and “hostile elements” and recommended that more attention be devoted to the selection of cadres assigned to the Soviet companies. Kiselev decisively rejected the allegations, and he sought to restrain the Hungarians from overt abuses. In one instance he protested against the muggings of kulaks by police, who subsequently fled into the forest. Kiselev deplored the Hungarian party’s attitude towards the technical intelligentsia. He felt that the regime’s “disdain” towards them was alienating those who would otherwise cooperate with it. The Soviet ambassador found that far too many cases of subversion and other crimes, which got to the judicial organs, were unfounded and recommended the transformation of the judicial system in order to restore socialist legality. He warned that Soviet experts had revealed numerous structural mistakes in the Ministry of Justice. The harshest criticism came from Lavrenti Beria himself in June 1953.

Soviet-Hungarian relations existed on an official level only. The two peoples never had a chance to interact. Tourism was virtually non-existent; educational and cultural exchanges were politicized and very sporadic. Decisions of the highest order were needed for the visits of students, academics or artists. Often the Soviets, who were invited to Hungary, could not come because they did not get their visas on time. The Soviets were afraid of any contact and any organization
that was not entirely under their control. Hence, they deplored the establishment of a Hungarian Institute of Foreign Cultural Affairs based on the model of VOKS because they saw it as a rival to the Soviet-Hungarian Friendship Association. They wanted the latter alone to conduct bilateral cultural relations and deemed that the interference of the former was inimical to the strengthening of Soviet-Hungarian friendship.\(^{64}\) Centralization and planning was the order of the day, even in cultural and scientific affairs.\(^{65}\) Success was measured in numbers and growth rate: how many people saw Soviet movies and how many professors, students or artists visited one another. What had been the increase in numbers from one year to the next. Friendship toward the Soviet Union was orchestrated from above, and its manifestations were awkward and artificial. Various Hungarian organizations sometimes sent expensive gifts to Soviet individuals in order to express friendly “feelings”. Kiselev had to ask Rákosi to put an end to this practice, which had brought the addressees into awkward situations.\(^{66}\) Moscow wanted to pass along its “experience” in areas such as collectivization, Stakhanovism, as well as the Soviet life-style itself. The latter was supposed to be popularized by the friendship association, but, as even the HWP Central Committee admitted, with little success.\(^{67}\)

The bilateral relations were best described by Edward Luttwak’s paradigm of a “Leninist client state,” which satisfied the “growing hierarchy of Soviet imperial needs,”\(^{68}\) or in other words provided services in the field of foreign and military policy. In the sphere of foreign policy, Hungary’s services were insignificant. Throughout the period Hungary followed the Soviet line closely and, in fact, lacked a foreign policy of its own. The fate of the Hungarian minorities abroad was taken off the agenda. Budapest’s hostility to the western powers was second only to Moscow’s. Foreign citizens were on many occasions arrested, even incarcerated. The British businessman Edgar Sanders and Robert Vogeler spent years in Hungarian penal institutions. The crew of an American aircraft, which had violated Hungarian airspace, was forced down by a fighter flying under Soviet colours, and imprisoned. They were eventually set free in return for a ransom of $12,000 dollars per person.\(^{69}\) In foreign policy initiatives involving the capitalist powers, such as sending a protest note to the American government\(^{70}\) or the proposal to close the United States Legation library,\(^{71}\) the Hungarians consulted with the Kremlin. On one occasion Rákosi failed to do so, and the Soviet reaction was furious. At the last meeting of the June consultation in Moscow the Soviets claimed that at a reception given by the British embassy in Budapest the American minister proposed to the Minister of Foreign Affairs Erik Molnár and to his deputy Andor Berei that a member of the Hungarian government, Molnár, or even Rákosi himself, should meet a member of the United States administration, perhaps even President Eisenhower, to discuss bilateral questions between Hungary and the United States. Rákosi disclaimed any knowledge that his own name, or Eisen-
hower's name, had cropped up and claimed that as soon as he found out about the affair he arranged for the Soviet ambassador to be informed. Nevertheless, Malenkov and Beria, or according to other sources Molotov, reprimanded him for not raising the affair in the Politburo, while planning to discuss it within the Hungarian government. It was clear, however, that the real problem was Rákosi's independence of action. Malenkov complained, "The American minister negotiated with four people on this issue, but the Politburo members did not know about it. Order must be restored, because with such methods Hungary can be lost." As a result, the Soviet leadership removed the foreign minister. A measure of independence began to be restored to Hungarian foreign policy in 1955. Then the Hungarian Foreign Ministry acknowledged that Hungary's foreign policy "on several occasions meant the mechanical copying of the initiatives of others; many times we expected initiatives to come from one or several larger socialist countries". Hungarian embassies in Western states were instructed to search for ways to improve bilateral relations, to expand cultural and economic contacts. This served also the Soviet Union's ends, since ambassador Andropov asked Hungary to explore the possibility of establishing diplomatic relations with Turkey, West Germany and Japan as trial balloons for Moscow. Andropov told the Hungarian Minister of Foreign Affairs that he, "would think it right if [Hungary] would attempt to reestablish diplomatic links with Japan. From the Soviet perspective it would be welcome if [the Hungarians] strengthened their links with Turkey, increased [international] confidence, and promoted Soviet-Turkish rapprochement". He suggested that Budapest should "try to deepen relations with West Germany, perhaps to establish diplomatic relations, which would be easier for Hungary than for the other people's democracies". This was not the only service Hungary could provide. In 1950 Budapest and Moscow signed a bilateral agreement for cooperation between the intelligence services of the two countries in the field of foreign policy. This was extended to the exchange of intelligence, the mutual support of intelligence in the "capitalist" states and Yugoslavia, and, "if needed, mutually directed intelligence actions against these countries". Cooperation was extended to introducing agents into Yugoslavia and the Western states, their integration into the necessary circles, and the organization of contact with them. Hungary and the Soviet Union worked closely together in recruiting foreigners, or people with no citizenship, warned each other's agents about dangers, provocateurs, and double agents. Finally, they collaborated in working to disintegrate foreign "anti-democratic parties," as well as in "unmasking and compromising politicians and supporting pro-Communist groups, press organs and leaders." But the services Hungary rendered in the military sphere were far more significant.

The communist party took control of the army by 1946. Following the transition, the Soviet Union asserted its control over the Hungarian military through a system of Soviet advisors and, just as important, the Hungarian political-military
leadership did its best to follow the Soviet guidelines in military strategy and to provide the services required by the Soviet army, which was stationed in Hungary. According to Minister of Defense Mihály Farkas, the Hungarian army was transformed in the image of the Soviet military by 1950. Eleven hundred officers had been removed, and by 1951 eighty-one percent of the officer corps was made up of so-called “new cadres”. Although the Paris Peace Treaty had maximized the size of the Hungarian army at seventy thousand, by 1952 it already numbered 210 thousand. In short, it was thrice as large as the treaty permitted. Of course the Soviets were well aware of this violation of the treaty. Consequently when the Hungarians proposed to turn to the United Nations in order to protest against alleged American violations of the peace treaty, Moscow called off the protest. The Soviets did not want to provide the Americans with a precedent to examine violations of the peace agreements. The Hungarian army’s growth rate was approximately the same as that of its Polish counterpart. In Poland the army increased from 140 thousand in 1949 to 410 thousand in 1953. But the Sovietization of the Hungarian military did not go as far as it had in Poland. The Polish armed forces were virtually commanded by Red Army generals and officers, who worked with 200 advisors. In the Hungarian army, on the other hand, there were no Soviet commanders. The framework of the services that Hungary would provide the Soviet military was laid down by a series of Soviet-Hungarian military agreements signed on December 6, 1946. These codified the presence of the Red Army in Hungary as necessary for securing the communication lines with the Soviet zone in Austria. The agreements contained no time limit, or any kind of restrictions on the stationing, or activity, of the Soviet army on Hungarian soil. In fact, the “guest units,” as they were euphemistically called, used without restriction the exercise areas that belonged to the Hungarian army as well as the cultivated areas and grazing fields that belonged to private individuals or agricultural cooperatives. They received all sorts of benefits, such as exemption from duties on the materials they brought into the country and a 50% discount on utilities and railway fares. The vast majority of the cost of the installations that the hosts built for them were covered by the Hungarian budget. In order to promote military cooperation, further agreements were signed for the transfer of military technology and licenses, for sending – well paid – Soviet military advisors to Hungary, and for the training of Hungarian officers in the Soviet Union. The Hungarians also expected to receive facts and figures on the organizational principles and size of the Soviet army, but they did not get them. Having learned the lessons of the interwar period, when disarmament had failed to assure European security, the Soviets chose to ensure their security and to prepare for the inevitable clash with the imperialists by drastically increasing the military preparedness of the Soviet armed forces and those of the people’s democracies. Hence, in Hungary the Soviet advisors were to assist in preparing
the Hungarian army for World War III and to create a mass army based on the lessons of the Great Patriotic War. Thus, an army of little over thirty thousand in 1948 grew to the nation’s largest ever peacetime army. In 1952 it numbered 210,000 troops. In order to achieve the ambitious targets a massive program of industrialization was needed, which could be carried out only by a thirty to thirty-five percent reduction in the standard of living. As the international situation worsened, Moscow demanded an even larger contribution to its military efforts. In order to achieve the desired results, the Kremlin intervened directly. In January 1951 Stalin invited the party and military leaders of the bloc to Moscow. There, in the presence of Defense Minister Vasilevsky and Stalin himself, General Shtemenko gave a briefing on the international political and military situation and concluded that NATO would be able to launch an offensive attack on the socialist world in 1953. This made it necessary to accelerate the development of the armies of the people’s democracies. This announcement and the military production targets to be attained caused a tremendous consternation among the guests. The Bulgarian leader Chervenkov was the most outspoken and protested that his country lacked all industry; therefore he thought that the Soviets should supply the necessary hardware for the military build-up. Stalin at first seemed to be sympathetic, but according to the time-honored choreography, when Shtemenko demonstrated that the Bulgarian view was unacceptable, he had nothing left to do but to agree with his own expert. Although the Hungarians parroted the Soviet views on the aggressive designs of the imperialists, in reality they were disturbed by the Korean developments and were deeply disturbed by the Soviet demands. These necessitated a revision of the annual plan and industrialization at an accelerated pace. In short, further resources would have to be diverted from consumption and other sectors of the economy. Nonetheless the Hungarians followed the Soviet initiatives. Moscow did not hesitate to intervene in its satellites’ economic planning, when the Kremlin saw a threat to the development of the army. Moscow removed Imre Nagy in 1955 because in Khrushchev’s view Nagy was neglecting military investments and the rift within the HWP was threatening military modernization. In the very same year the Soviet Union institutionalized its military domination of Eastern Europe by the Warsaw Pact. The reason, or pretext, for this was West Germany’s rearmament and integration into NATO, which seemed to threaten the European military balance. Whatever the real reason or reasons may have been, this was the explanation provided by the Soviets to the Hungarian leadership.

In early November 1954 the Soviet leadership induced Czechoslovakia and Hungary to initiate a conference on collective European security with the participation of the Western states. As could be expected the latter failed to accept the invitation. Therefore at Khrushchev’s initiative the Soviet bloc and China convened a meeting in December 1954 and agreed that they would take measures to
put their armies under a joint command in case the Paris agreement was ratified. Prime Minister András Hegedűs reported to the Politburo that according to Molotov, West Germany’s rearmament was a dangerous development, a direct measure to prepare for the next war. In case the Western powers continued to rearm, “the peace-loving nations would be compelled to take joint defensive measures”.

Khrushchev circulated the Soviet draft of the Warsaw Pact among the people’s democracies in February 1955 with a recommendation for a secret conference to discuss it. This measure was made necessary by the fact that “the decision on the Paris agreements was passed by the parliaments of most participating nations”.

The HWP Politburo accepted it without reserve on March 10, 1955. In fact, the only worrisome issue for the Hungarian political and military leadership was that the Austrian Treaty would call into question the continued stationing of Soviet troops on Hungarian territory. They agreed that in case the idea of withdrawing the Soviet units should crop up, the leadership would argue that the Hungarian army’s lack of preparedness would necessitate the retention of one Soviet division on Hungarian soil.

The Hungarians provided a variety of services to the Soviet military. In 1954 the Soviet government requested the construction of a military airport capable of receiving heavy bombers. Although the investment—the cost of which was planned at the equivalent of 330 million forints, or roughly 30 million dollars at the official exchange rate—was at odds with Imre Nagy’s new economic program, which was out to reduce military expenditures, the so-called Defense Council (not to be confused with the Defense Committee) accepted the proposal after the chief Soviet advisor at the Ministry of Defense M. F. Tihonov put pressure on Nagy and Rákosi.

Furthermore, the Soviets asked for and received permission from the Hungarians to station in Hungary one Soviet airborne and one infantry division, which had been removed from Austria. In order to do so Hungary agreed to reconstruct a military airport at Szolnok and to build 350 new apartments for the arriving Soviet officers. The Warsaw Pact guaranteed the privileges that the Soviet units had previously enjoyed in Hungary and also that Hungarian units would be put at the disposal of the Warsaw Pact’s (Soviet) command.

Loyalty to the USSR was guaranteed by the fact that the Hungarian political and military leadership accepted the tenets of Soviet military strategy and the Kremlin’s evaluations of the world situation. Thus, for example, on October 29, 1953 Minister of Defense Bata estimated that only an increase of military power could keep the imperialist warmongers from launching a world war. Nothing reflected more the Hungarian communists’ slavishness than their attitude to the use of nuclear weapons in combat. In September 1954 a military exercise took place in the southern Ural military district with the participation of 44,000 men and involved a nuclear explosion. The defense ministers and chiefs of staff of the
people's democracies were invited as observers. As a result of the “experience” the minister of defense saw to it that the necessary measures be taken in order to train an army capable of fighting in a nuclear war.

The satisfaction of the USSR's military requirements placed a tremendous burden on the Hungarian economy. In fact, the economy became the Hungarian communist system's Achilles heel, and one is probably not far from the truth in arguing that the deficiencies of the economy eventually led to the demise of the entire communist structure. The communist economy in Hungary simply could not survive without external assistance. In 1949 the Soviet Union decided to establish COMECON, which was meant to coordinate planning and production among the socialist bloc nations in order to achieve economic independence from the Western world. It aimed to create a common raw material base and the division of industrial labor among its members. In reality the organization failed to get off the ground, and economic relations within the Soviet bloc operated essentially on a bilateral basis. As Lavrentii Beria put it in 1953, the organization is working poorly (rabotaet iz ruk von ploho) and “plays no positive role in the coordination of the countries of the people’s democracies whatsoever”. In fact, the newly created communist dictatorships did their best to earn hard currency, and so they sold whatever marketable goods they had on the Western markets. Hence, countries like Hungary, which suffered from the lack of most raw materials needed for the Stalinist development of their economies, on many occasions could not buy the needed basics from the “fraternal nations,” which possessed them. To adopt the Soviet model of modernization and to fulfill the requirements of military readiness, Hungary, as other bloc nations such as Poland, Rumania, and Bulgaria, embarked upon a frantic pace of industrialization. The Hungarian Five-Year Plan of 1949 spelled out a rapid increase in industrial production. In 1949 the planners envisioned a growth of 86% in industrial production, but in 1951, as a result of Stalin's decision for the people’s democracies to reach peak military preparedness by 1953, this already ambitious rate was raised to 310%. This unrealistically aggressive plan for Hungary was far higher than the new growth rate planned for Poland, where the revised plan of 1950 envisioned an industrial growth of 158%. As a result, the GNP was 50% higher, while gross industrial production was 88% higher in 1954 than in the base year of 1949. It goes without saying that such ambitious plans were entirely unrealistic for a nation, which lacked the necessary economic base, traditions, and raw materials for industrialization. The accelerated pace of industrialization entailed a serious decline in the standard of living and the neglect of such traditional branches as agriculture, food processing, light industry, and machine building. The development of the industry concentrated on the “A sector,” namely on steel and iron production, the chemical industry, and the “means of production” in general. The phenomenal growth rate was due to the fact that in the course of the first Five-Year Plan 25% of the national income was allocated to
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investment, out of which almost 50% went to industry (including construction) and only 14% to agriculture. This percentage of national income invested in Hungary was higher than the rates of investment under the first Five-Year Plans in Bulgaria (19,6), Czechoslovakia (22,3), Poland (21,6), or for the Soviet Union (21%) between 1946 and 1950. The share of industry in investment was also higher in Hungary than in the abovementioned people’s democracies and the Soviet Union. The same was true for the share of heavy industry and construction in all industrial investments, which was over 90% in Hungary, 83% in Bulgaria, 78% in Czechoslovakia and 75% in Poland during the same period. Just as in the Soviet Union beginning in the early 1930s resources were diverted from agriculture to industry. This was done by decreasing the share of the national resources spent on agricultural development, by drastically reducing the price paid for agricultural products, coupled to an artificial increase in the price of the industrial products that were sold to the agricultural sector. In this way the government killed two birds with one stone. It carried out its economic program and made progress in the liquidation of the peasantry as a social class. The impact of the government’s economic policy on the standard of living was disastrous. In 1952 the price index of consumer goods was 166% higher than that of capital goods. The price of clothing was seventeen times, that of foodstuffs twelve times higher than in 1938. At the same time services were cheaper. The purchasing power of the Hungarian forint diminished by 40% between 1946 and 1949, and by another 27% until 1955. The year 1951 saw the introduction of rationing for meat, bread, lard, sugar, flour and soap. This was lifted after seven months, but with a simultaneous increase of prices by 40% and a general pay rise of only 20%. Chiefly due to the compulsory deliveries, the peasantry’s income actually went down as compared to the pre-war period. During the years between 1949 and 1953 the level of consumption for all important foodstuffs, save for wheat and sugar, was lower than in the last year of peace. The deterioration of the quality of consumer goods added another 10% to the consumer price index, which in 1955 was 35% higher than at the beginning of the decade. The Poles experienced similar hardships. In Poland by 1953 the level of meat and sugar consumption had fallen below that of 1949. Hungary, which had been one of the continent’s major exporters of wheat, now had to import this formerly abundant commodity from the Soviet Union and elsewhere because its own production was used to service the country’s ever growing foreign debt. Hence in January 1956 the Hungarian leadership had to turn to the USSR for the shipment of 100 thousand tons of wheat, while in September 1956 another 350 thousand tons were requested for 1957. Such requests could only increase Hungary’s subordinated position vis-à-vis its hegemonic neighbor. Because of the acute shortage of wheat extraordinary, terroristic methods were employed to curb consumption. In January 1953, for example, a certain Ferenc Reisz was sentenced to two years in prison and the confiscation of a thousand forints for
“buying up” seven kilos of bread and sixty-five croissants. During the same year the district court of Pécs condemned Károly Bod to be incarcerated for three years because the police found that he had “hoarded” 139 kilos of flour and twenty kilos of sugar. Nor did József Fábián get off lightly for having committed a similar offense. For the crime of purchasing ten kilos of bread, even though he “possessed his own flour,” he received three and a half years in prison. Another man, Károly Csorba, had 150 kilos of flour, but was greedy enough to buy bread from the local agricultural cooperative. To make matters worse, he hid twenty kilos of lard in a hole dug in his yard. In view of these “crimes” it is no wonder that he ended up in jail. If the quality of goods a nation is able to produce is indicative of how developed that nation is, what happened in Hungary in terms of production was a sure and dismal sign of a civilizational decline. The food processing and light industry, as well as the machine building industry, had previously been highly competitive. Hungarian electric locomotives had even been sold in Argentina during the 1930s. Hungarian salami and canned food had also been successfully marketed abroad in the days before communism.

The decline can be linked directly to the introduction of the central command system in the economy. Plans of production were worked out by central bureaucracies in accordance with political principles. The quantitative instructions were handed down through a multi-echelon bureaucracy almost to the individual desk, or workbench. Plans included only how much of something should be produced to attain the production quota. Whether or not there was any consumer demand for the particular product did not matter. There were no incentives to modernize capital goods, no incentives for the workers to reduce waste, or increase quality. The “result” was striking and immediate. As early as 1950, only a year after the Stalinist system had been introduced, the director of the Soviet-Hungarian bauxite company complained of the negligence and the low standards of production, which were leading to the continuous growth of waste. The only thing that mattered was the fulfilment of the plan, which meant that production was cyclical. Very little was done at the beginning of the month, while at the end the work was done with great haste. The country’s economic dictator Ernő Gerő complained,

… what is happening in the area of quality is absolutely intolerable and untenable. It has to be said that in 1945, 1946, 1947 and 1948, when we were economically much weaker, there were not so many and so well-founded complaints against the commodities we produced; what is more, there are more [well-founded complaints] now in 1952 than there were in 1951.

Hence for example in the shoe industry, which according to Gerő had once been famous for its quality, the customers returned only one per cent as waste in 1950, but by 1951 the rate of return had reached 25%. On one occasion the USSR re-
turned 4,900 pairs of shoes from a shipment of 5,000. In 1952 and 1953 Austria, Sweden, Italy, and Belgium returned a variety of machine tools due to complaints about quality. The "Red Star" tractor factory sent 140 tractors to Rumania in the fall of 1952. By February 1953 all were inoperational and only six could be mended in 1954(!). The factory simply did not make spare parts. No one wanted to purchase the products of the Deep Drill Plant because they were of such poor quality. The machine tools sent to Argentina arrived without paint on them, because the paint had all come off during shipment. The electronic guidance compartments could not be opened because the screws on them had all rusted away. Argentina, which had been a market for Hungarian locomotives before the war, no longer wanted them. Machine tools and motorcycles, which had been sold to Sweden, were not saleable there anymore. Hungarian sugar could not be sold in the Far East because it was too filthy. In 1952 complaints of "low quality" led to the cancellation of the sales of 619 tons of poultry, 120 tons of pasta asciutta, forty-one tons of Hungarian salami[!], 200 tons of cattle, and 287 tons of canned food. But the list is almost endless. Another peculiar trait of the central command economy, which plagued it throughout its existence, was the poor quality of packaging. This problem of packaging emerged almost as soon as the new economic system was introduced. Elevators, which had been sent to Poland, got soaked because of the "primitive manner" in which they had been packaged. Their screws fell apart or rusted. For similar reasons an x-ray apparatus exported to the USSR fell into pieces. On many occasions due to the "profilization" of production, which meant that certain products could only be produced by certain companies, spare parts were not manufactured. In 1951 there were no spare parts available for buses, a major export item. The Hungarians' inability to deliver their products on time was another chronic and acute symptom. To mention just one of many possible examples: out of the twenty lathes ordered from the Machine Tool Plant in 1950 ten were still undelivered two years later. This deficiency got the country in considerable trouble with the Soviets, who greatly resented the fact that Hungary was unable to satisfy its export obligations to the USSR. In November 1952 the Soviet ambassador in Budapest instructed the Soviet consul at Győr, who in effect acted as a kind of Soviet political representative in the western part of the country, to discuss the settlement of Soviet economic grievances with the local county party secretary. The Machine and Wagon Plant in Győr had been "systematically" neglecting to satisfy its obligations for the delivery of goods to the Soviet Union and had not sent the wagons and floating cranes that Moscow had ordered. The consul demanded that the party secretary intervene so that the plant will fulfil its obligations. Since nothing happened, on May 23 Soviet Ambassador Kiselev requested permission from Deputy Foreign Minister Zorin for himself and the Soviet economic advisor in Hungary to visit Rákosi and "discuss how Hungary's delay in fulfilling its delivery obligations to the USSR stemming from the trade
The ambassador was so troubled by the state of affairs that two days later he sent two memoranda to Molotov, both of which dwelt on the economic problems in Hungary. He wrote that although the socialist countries were “usually unable to tackle the problem of the mutual shipment of goods,” in this case the chief culprit was Hungary. The tardiness of the Hungarians in this respect was often more significant than that of the others. Several factors were responsible for this situation. On the one hand “the careless work of the planning organs, the low standard of organization on the part of the leading Hungarian firms” played a part. On the other hand the country’s leaders were to blame. The top party cadres, the leaders of the economic ministries, and “other responsible persons” were underestimating the importance of foreign trade in the nation’s economy. Significantly, Kiselev deplored the “remnants of bourgeois-nationalist methods in the Hungarian Ministry of Foreign Trade, against which the necessary struggle is not being waged”. He accused the Hungarians of “systematically delaying the delivery of important industrial equipment to the Soviet Union”. The Soviet economic advisor in Hungary was instructed by Mikoyan to draw Gerő’s attention to the delays in shipments to the Soviet Union; and Gerő promised that by personally taking charge of the exports to the Soviet Union he would solve the problem by the end of the year. Gerő and the rest of the Hungarian leadership were of course well aware of these problems but were unable to do anything about them. Moscow’s commercial advisor Nikolaenko had to warn Gerő in July that Hungary was falling behind in exports to the Soviet Union to an ever increasing extent and would not be able to fulfil the plans in ships, automobiles, locomotives, and many other articles. What troubled the Soviet leadership most profoundly was Hungary’s accelerated descent into the quagmire of indebtedness, especially to the Western world.

One particular and, as far as the state of the communist economy was concerned, highly damaging consequence of heavy industrialization was that instead of becoming independent from the Western world in terms of foreign trade, the Hungarian economy became increasingly reliant on it as a source of machine tools and raw materials. This was especially true for the period after 1952, when the Soviet Union began to reduce the amount and variety of ores and other materials it exported to Hungary. This change in Soviet export policy and Hungary’s inability to export enough goods of sufficient quality to pay for the imports led to the rapid increase of the Hungarian foreign debt and an alarming decrease of its gold reserve, which had to be used to finance imports. And without these imports heavy industry could not function properly. “Forced imports, which were connected to investments and the demand for raw materials, had to be balanced by forced exports,” wrote historians Pető and Szakács. “Foreign trade was becoming increasingly self-serving: [Hungary] was importing so as to have enough to export for the next import.” In May 1953, not long before Rákosi was summoned to Mos-
cow, Kiselev warned that the Hungarians were struggling with a debt of 534 million forints to the capitalist countries, including West Germany and also owed money to the East, including 221 million forints to the Soviet Union and 244 million to China.\(^{109}\) The chief culprit was industry, where imports always exceeded exports. The worst year had been 1952, when industry accumulated a trade deficit of 1,686 million forints.\(^{110}\) The situation in 1953 was worse than the Soviets had suspected. In reality, Hungary’s short term debt to the Western world was 865 million forints and 869 million to the “people’s democracies”. While in September 1950 the debt had only been 614 million foreign exchange forints. One reason was that although both the Eastern and the Western trading partners wanted Hungary to sell them agricultural products, Hungary insisted on offering industrial ones.\(^{111}\) The situation did not improve during the years of Imre Nagy’s “new course” either. The size of the agricultural import went up, while the export decreased. Between 1953 and the end of 1954 the debt to the capitalist world grew 2.5 times, and in 1955 it increased by another 800 million forints. In a few months the nation’s debt service was actually higher than its total annual income from the capitalist export,\(^{112}\) even though the country had managed to increase its exports to the capitalist countries by 60%. The national debt reached a total of 2.6 billion forints by the end of 1955. This happened in spite of the fact that there was a trade surplus with COMECON. But the size of trade with the Soviet bloc decreased in 1954 and 1955: from 72% of the turnover in 1953 to 53% in 1955. More raw materials came from the West than previously.\(^{113}\) As a result of its inability to finance its imports from the revenue derived from the foreign sale of goods, Hungary used its gold reserves to pay for them. While in 1949 the freely disposable national gold reserve (the part not tied down to finance imports) was 36.1 tons and 33.5 tons in 1950, the amount began to drop drastically to 18 tons in 1951, 13 tons in 1953, seven in June 1954 and only five September 1955.\(^{114}\) For this reason the Soviets, who were informed by Ambassador Andropov of the deteriorating economic situation, decided to “call Rákosi’s attention ... to the deficiencies in the development of the Hungarian national economy and the work of the Political Committee of the HWP”.\(^{115}\) Nothing could have come more handy to the disgraced dictator than such reports. He had been trying to engineer Nagy’s removal mostly with economic arguments almost since the moment Nagy had been installed as prime minister in 1953.

In order to keep the economy running the Hungarian regime had to ask the Soviet Union for favors, such as loans to service debt or to help develop industrial sites. Thus, in 1952 the USSR agreed to extend a gold loan of forty-eight million rubles for the construction of a metallurgical combine\(^{116}\) in addition to a 100 million ruble commodity credit that had already been granted “in order to combat the economic hardships caused by the draught and the poor crop”.\(^{117}\) In May 1953 Rákosi asked for another forty-eight million ruble commodity credit in gold be-
cause of Hungary’s balance of payments deficit. This loan proved to be insufficient for the ailing Hungarian economy to survive the year; and the government turned to the Kremlin once more for a loan of 200 million rubles in commodities such as wheat and other agricultural products, as well as coal and other raw materials connected to steel production. But Moscow agreed to only half of that amount. Rákosi remembered that when the Hungarian delegation arrived in Moscow to put forward the request, the reception was rather cool. The Soviets explained that Hungary had no need for the loan. The problem must lie with the leadership, if in a year when the crop was good, they could not balance their trade. Kaganovich remarked that the Hungarian request was “hoarding” (rvachestvo).

When in 1956 the Rákosi regime recommended that the USSR should purchase the Hungarian short-term Western debt and convert it into a long-term one, the response was a decisive nyet. In general, what the Soviets gave with one hand, they took away with the other. Hungary had to pay the Soviets on a number of pretexts, which included the profits and the consultation fees of the joint companies, the price of the Soviet companies in Hungary, and the Soviet share of the joint companies that were sold by the USSR in 1952 and 1954, respectively.

The early 1950s saw the growth of foreign trade’s importance in the national economy. Hungary’s most important trading partner was the Soviet Union. Its share in Hungary’s foreign trade rose from 29% in 1949 to 34% in 1953 and then declined somewhat to 22% by 1955. The rest of the COMECON countries accounted for 34.6% in 1950 and 32% in 1955. The Hungarian economy was so heavily reliant on the Soviet Union’s shipments for its development and for the Soviet market to be able to pay for its imports that this dependence in itself provided a strong measure of Soviet political control. This became all too apparent in 1955, when for the first time the Soviet Ministry of Foreign Trade rejected the list of goods Hungary desired to sell and purchase from the Soviet Union. What usually happened was that the Hungarian planning office was invited to Moscow for consultation with Gosplan. At these meetings the Soviets decided whether or not they agreed with the general trade guidelines. Hungary would produce a list of required Soviet commodities along with a list of items it wanted to sell to the Soviet Union. In July 1954 Hungary presented a list but had to wait for the reply until January 1955. The Russian response proved to be shocking, because the Soviets signalled that they did not want many of the things that Budapest had offered to them. At the same time they refused to deliver much of what the Hungarians had requested. No explanation was given, and the refusal fundamentally threatened Hungary’s economy. For example, Hungary had asked for anthracite, lead, and raw iron. But none of these commodities were offered for sale to Hungary by the Soviets. In other goods such as crude oil, or raw phosphate, Moscow promised less than half of the amount the Hungarian government had requested. The situation was so critical that the Central Committee dispatched
Deputy Minister of Foreign Affairs Berei and Minister of Foreign Trade Háy to Moscow to consult with Soviet Minister of Foreign Trade Kabanov and the leaders at Gosplan. The deputy director of Gosplan was not particularly helpful when he argued that the people’s democracies themselves should solve the problems caused by the reduction of Soviet shipments. The Soviet economic advisor Bachin recommended that the Hungarian government should turn to its Soviet counterpart; and being aware of the Hungarian situation, the Soviet government would support the Hungarian government’s requests. Rákosi intervened personally, and as a result Moscow agreed to raise the export by 130 million rubles, its import by 94 million. A number of Soviet products were offered, which were not on the original list, and quite a few Hungarian goods were purchased, which the Soviets originally did not wish to take. This was still insufficient, especially in commodities such as cotton, iron and crude oil, but the Soviet government refused to raise the value of its shipments to the 1954 level. This forced Hungary to purchase the missing items from Western Europe, which in turn aggravated the country’s debt situation. Lacking the relevant Soviet sources, one can only speculate on the Soviet motives. One of these may have been to weaken Imre Nagy’s position. In fact, after he had been ousted Moscow lifted the reduced quotas.

The Soviet Union had a significant control over the Hungarian economy by virtue of the Soviet owned companies in Hungary and the Soviet-Hungarian joint companies. The latter gave the Soviets control over the bauxite, aluminum, oil, and oil refining industries, as well as shipping on the Danube and coal mining. Hungary’s only manganese mine was Soviet owned. In 1952 the Soviet Union centralized and expanded the activities of the Soviet-Hungarian companies, but at the same time the Kremlin decided to sell the assets of the Soviet companies. According to the agreement signed with the Soviet Union on September 30, 1952, Hungary was to purchase these assets for 990 million forints, payable by 1956. This was better than the original proposal, according to which the payment would have had to be made within three years. The debt was to be paid in forints and in kind. The payment in goods included the delivery of 500,000 tons of bauxite in 1955 alone. This amount constituted over a third of Hungary’s entire annual production of 1.4 million tons. Two years later, under conditions that the Hungarian government could not accept, the Soviet Union offered to sell to Hungary its share of the joint companies, with the exception of the Hungarian-Soviet Oil Company, which was the most profitable of all, the Soviet Bank, and eleven houses. This occasioned one of the most significant Hungarian-Soviet disputes of the period. In this case the Hungarian regime acted in the national interest. Moscow valued the assets at 1.2 billion forints. Ernő Gerő supported the proposal, with the reservation that Hungary would not be able to pay any instalments in 1955 or 1956 because Hungary’s payments to the USSR under the 1952 agreement and earlier obligations already amounted to 253 million forints in 1955 and 265 mil-
lion the following year. The Hungarians did not count on the offer even though the Soviets had already sold their similar holdings in Bulgaria, Austria and Romania and only the German ones remained in Russian hands. Due to the country’s grave financial situation the Political Committee resolved to accept the Soviet offer, with the provision that Hungary would not be able to pay more in consultation fees and profit transfers in the forthcoming years than it had in the earlier period. Hungary announced that it wished to double the period of payment from the Soviet offer of five years to ten years and that it wanted to purchase the joint oil company as well. Gerő then transmitted the Hungarian offer to the Soviet economic advisor in Hungary, Nikolaenko, who had made the original offer to the Hungarian government. The Kremlin’s answer reiterated the original Soviet position, with the exception that 50% of the payments would be used in Hungary. Budapest tried to have the Soviets accept an eight-year term for payment and also desired that the Soviet Union omit a clause from the proposed agreement according to which Hungary would have to take responsibility for all further claims against the joint companies. The latter provision caused serious problems when an Austrian–Hungarian treaty was being negotiated, since the Soviet Union, abusing the terms of the Potsdam Declaration, had taken over properties that had belonged to Austria. The Soviets made a few additional concessions: according to the treaty the Soviets agreed to sell the joint oil company, but insisted that they receive the payment of 2–2.5 billion forints in growing instalments over five years starting in 1955. Furthermore, Moscow disclaimed all responsibility for any future claims against these companies. Although the re-acquisition of the joint companies returned economic sovereignty to Hungary, the exploitation of its natural resources continued with the Soviet exploitation of Hungarian uranium.

The exploration for Hungarian uranium resources by Soviet experts began in 1953. At this time the Soviet nuclear weapons program started to expand rapidly. Reserves that had been found in some people’s democracies, such as the GDR, Czechoslovakia and Bulgaria, were already being exploited for the USSR’s purposes. Large deposits were found in the Mecsek Mountains in southern Hungary. According to the preliminary estimates the reserve contained fifteen million tons of ore, which made it one of the largest deposits in the world. The uranium content of the discovery, on the other hand, was considered to be average. Well after the exploitation of this resource had actually begun, the two countries signed a protocol on June 8, 1955, which regulated the reserve’s future exploration, exploitation and sale. This colonial style agreement granted the USSR exclusive rights. The treaty provided for the exploration for radioactive elements and for their production to begin even while the exploration continued. The Hungarian government was obligated to place the sites free of charge at the geological expedition’s disposal and to exempt the equipment imported by the Soviets, as well as the ore
taken to the Soviet Union, from all taxes and duties. The Hungarians would supply housing and electricity for the Soviet workers. In return the USSR would provide scientific and technical assistance, experts, and technical equipment for the exploration of radioactive ore. The parties vowed to spend sixty million forints on exploration in 1955 alone. The expenses were to be shared evenly. The protocol was surrounded by great secrecy, and the parties were not allowed mention this cooperative venture in their economic plans or statistical data. The ore would be sold to the USSR, except for the quantity required by Hungary, which was at that time and would for years remain zero. The price would be calculated on the basis of the cost of production and an allowance of 10% for profit. The Hungarian government established a company under the code name “Bauxite” in 1956. It would receive the production site free of charge and would be exempted from all taxes and duties except for the taxes on wages. The company would, however, be obliged to pay the domestic shipping rates. Aside from providing technical assistance and experts, the Soviets also agreed to finance 75% of the investment and exploration costs in the form of long-term loans. The agreement was signed for twenty years, and the USSR would be allowed to purchase all the company’s products that the Hungarian government did not need. The infrastructure, roads and installations, had to be built and 960 flats had to be finished by the end of 1957. Due to the secrecy no documentation for the project, which cost 380 million forints in the first year alone, was prepared. By the end of 1957 the investments had exceeded 650 million forints, and the Soviet side owed 300 million. The Soviets and the Hungarians disagreed on how the production costs, which formed the basis of the price, should be calculated. In order to make the production profitable, the Hungarians thought that the Soviets should pay for all production down to a metal content of 0.03%. On the other hand the Soviets were unwilling to finance the production of the low quality ore; even though the 0.2% quality desired by the Soviets could be produced only if the lesser grades were also made. The Hungarians calculated that on the basis of the Soviet position Hungary would receive only 60% of the actual production costs. Hence, the purchaser was dictating the price, which came to be fixed in agreements concluded in following years. The revision of the uranium agreement became one of the demands of the revolutionaries in 1956. Nonetheless, the Soviets continued to intend to pay less than the Hungarians wanted for their uranium, which would have been acceptable only if Hungary had enjoyed the opportunity to sell its uranium to anyone else. But that was not the case. Moreover, the Soviet experts demanded that the quality and quantity of production be improved at a pace that would have been tantamount to “robbing” the mine. In some ways the situation of the uranium mines and the previous joint companies was different but in some ways the same. The Hungarian government owned the uranium mines and occasionally attempted to
assert its national interests in their exploitation. On the other hand, despite these efforts the mines were operated in the Soviet interest and under terms largely dictated by the Soviet Union. The balance in services and favors provided by the Soviet Union and Hungary to each other clearly tilted towards the Kremlin. The Soviets built a wall in 1961 in response to Walter Ulbricht’s plea to preserve his regime, but the Hungarians could expect no such services. When they asked the Soviets to salvage their economy by purchasing its Western debts and deliver more raw materials, the Hungarians were rebuked. While Walter Ulbricht and Antonin Novotny survived the crises of the German Democratic Republic and Czechoslovakia in 1953, Rákosi was removed from his post as premier in 1953 and Imre Nagy was sacked in 1955. The Soviet decisions about the Hungarian leadership can be interpreted within the framework of the services Hungary provided to satisfy the USSR’s imperial needs. Hungary’s growing indebtedness to the Western world was beginning to transform the country from a “bastion” into a gaping hole, through which imperialist influence would be able to infiltrate.

Following Stalin’s death on March 5, 1953 Beria, Malenkov and Khrushchev grabbed the reins of power. Soon Malenkov announced a peace initiative and the Soviet leaders began to show readiness to bring an end to the Korean conflict and to deal with sensitive issues such as the future of Austria. They were soon forced to confront the problems within their own empire, where some threats to Soviet control had begun to appear. Hence, as Christian Ostermann wrote, in the GDR the “communist regime was much closer to the brink of collapse, the popular revolt much more widespread and prolonged the resentment of SED leader Walter Ulbricht than many in the West had come to believe”. Alarming signs had already reached the Kremlin as early as March, when the symptoms of a worsening class struggle started to surface in East Germany. In May Beria circulated a report according to which the dramatic rise in the number of refugees can be explained by the discontent caused by the crash program of building socialism, which had been introduced during the previous summer. The Soviet Council of Ministers found that “as a result of incorrect policies, many mistakes were made in the GDR. Among the German population there was huge dissatisfaction”. The mass emigration of Germans showed that “we are facing an internal catastrophe. We are obliged to face the truth and to admit that without the presence of Soviet troops the existing regime in the GDR is not stable”. A subsequent report by the Soviet Control Commission in Berlin criticized the accelerated construction of socialism and recommended measures to reduce economic malcontent and steps to alleviate terror. In a similar spirit the Soviet Council of Ministers called for an end to the “artificial establishment of agricultural production cooperatives,” for an increase in production for mass consumption at the expense of heavy industry, and for the elimination of the rationing system. Ulbricht was ordered to Moscow,
where the Soviet leaders, expressing concern for the situation in the GDR, advocated a new course. Beria recommended the unification of Germany on a bourgeois basis because he thought that the maintenance of this imperial outpost was far too costly. But for a variety of reasons – the fear that a unified Germany would not be neutral, the GDR’s importance as an anti-imperialist obstacle, and various psychological factors – Moscow decided to hang on to the eastern part of Germany. Disquieting news was arriving from Hungary as well. But in this case the critical reports had been coming for some time. Already in October 1952 a report had noted the rightful dissatisfaction of the population. Basic needs, such as the renovation of municipal roads or bridges, were being overlooked by the local Soviets, which were “separated from the masses”. Indeed, the Soviet leadership seems to have lost confidence in Rákosi’s leadership after the Kremlin had been forced to reach into its own pocket in order to rescue the Hungarian economy in 1952. But the Soviets were not resolved on removing Rákosi. At the May consultation, in which the dictator participated alone, he was called upon to surrender only one of his functions. Rákosi, aware of the situation in the USSR, wanted to retain his post as premier and desired to give up his position as party leader. But he was in for a surprise. The Hungarian dictator, who wallowed in a cult of personal adulation second only to Stalin’s, and who reckoned himself as the deceased Vozhd’s “best disciple,” was summoned to Moscow in the midst of the Czechoslovak and East German crises. There he had to recognize that his seemingly endless power was only as great as the Soviets allowed. He had reached the limits of his leash as a result of his country’s virtual bankruptcy and because his domestic reign of terror threatened the Soviets with the potential loss of Hungary. Ulbricht probably survived because of the split within Soviet leadership over the future of the GDR. By the time the Soviets made up their minds, the German dictator had reconsolidated his position. For the Czechoslovak, Rumanian, and Bulgarian leaders it was enough to kowtow before the new course during the late summer and early fall. For the Hungarian leaders, who had outdone the other fraternal nations in most of the indicators of Stalinism, the Kremlin dictated change. This included advice on the structure and composition of the leadership and prescriptions on what policies should be followed.

The criticisms were highly personal because the Soviets held Rákosi, Gerő, Farkas and Révai individually accountable for the “mistakes”. The attack by the Kremlin leadership embraced the whole spectrum of issues. The Soviet objections were directed at the irrational pace of industrialization, the drive for forced collectivization, the oversized army, as well as the regime’s punitive policies. The verbal assaults included an anti-Semitic overtone. The Soviets – Khrushchev, Malenkov, Beria, and Molotov in particular – attacked the composition of the party leadership, which uniquely in Eastern Europe was composed entirely of Hungarians of Jewish descent. This criticism was unfair in the sense that the Hun-
Hungarian communist leaders, especially Rákosi, did their best to disclaim their Jewishness. Moscow insisted that Imre Nagy, a “real” Hungarian, replace Rákosi as Prime Minister and that other cadres of Hungarian stock be given top positions in the party hierarchy. Khrushchev criticized the number of students at institutions of higher education; and the low *esprit de corps* of the Hungarian army came under fire as well. The military morale problem was attributed to the excessive “cleansing”. The Kremlin leaders also deplored the low level of ideological work. As a result of the criticism, on June 14 the Hungarian delegation drafted a document, which elaborated the measures that they had agreed to take. This statement was presented to the Kremlin on June 16. In accord with the wishes of the Soviets, economic policy would change, the pace of industrialization would slow down, and investments would be reviewed. Agricultural investments would rise, while the pace of collectivization would be “decisively” slower. The government would lend more support to individual peasants. More houses would be built or renovated. As a result of all these steps the standard of living would rise. “Legality” would be introduced and the political police would be put under government control. A Chief State’s Attorney’s Office would also be established. The document further envisioned the abolition of the *kulak* list. In addition, the Politburo and the government would be reshuffled along Moscow’s guidelines. The Soviet leaders found the document to be “basically not bad,” although not concrete enough as far as the economic proposals were concerned. Rákosi, the thoroughly disgraced party leader, now vowed to do his best to correct the mistakes.  

Rákosi, the thoroughly disgraced party leader, now vowed to do his best to correct the mistakes. Upon his return to Hungary Rákosi confessed in front of the Political Committee to all the mistakes levelled against him by the Soviet Presidium.

It quickly became obvious that Rákosi’s repentance had been insincere, and that he would seize every opportunity to turn the clock back to full-fledged Stalinism. Rákosi deemed the new course a set of “incomprehensible and incorrect” measures, which “emboldened the enemies of socialism”. He tried relentlessly to undermine Nagy and used every chance to smear his policies in the eyes of the Kremlin. Rákosi kept hoping that fortunes would turn once again and the Soviets comrades would reinstall him. He did not have to wait long for his first break. Only a few weeks after the June meeting Rákosi, Nagy and Gerő were again invited to the Soviet capital. Gheorghiu-Des and Chervenkov of Bulgaria were also present. Khrushchev informed the visitors that Beria had been arrested as an “enemy of the state”. Rákosi kept hoping that fortunes would turn once again and the Soviets comrades would reinstall him. He did not have to wait long for his first break. Only a few weeks after the June meeting Rákosi, Nagy and Gerő were again invited to the Soviet capital. Gheorghiu-Des and Chervenkov of Bulgaria were also present. Khrushchev informed the visitors that Beria had been arrested as an “enemy of the state”. Rákosi kept hoping that fortunes would turn once again and the Soviets comrades would reinstall him. He did not have to wait long for his first break. Only a few weeks after the June meeting Rákosi, Nagy and Gerő were again invited to the Soviet capital. Gheorghiu-Des and Chervenkov of Bulgaria were also present. Khrushchev informed the visitors that Beria had been arrested as an “enemy of the state”. In Rákosi’s eyes the fall of Beria immediately brought into question the validity of the criticism that he had received a few weeks earlier, because the former NKVD chief had taken the lead in attacking the Hungarian party chief. In fact, Khrushchev declared that Beria had been “impudent” to the Hungarian party boss and that Beria had been mistaken in arguing that the first secretary of the party had no right to interfere in the affairs of state security. “The question immediately arose,” wrote Rákosi, “what remained of the agreement of
three weeks ago?" Other specific issues, such as the kolkhoz movement, had not been touched on, but this visit in Moscow proved to be the first step in the Soviet retreat from fostering serious reform in Hungary.\footnote{This backtracking would eventually lead to the Hungarian Revolution of 1956.}

Following the old dictator's death rapid changes were introduced in Soviet foreign policy. Malenkov announced a "peace initiative" at Stalin's funeral and proclaimed that all outstanding issues between the USSR and the United States could be solved by peaceful means. On March 18 the triumvirate of Molotov, Malenkov and Beria outlined a peace proposal for Korea. Moscow restored relations with Israel, Yugoslavia and Greece and dropped territorial claims against Turkey.\footnote{Beria would have ventured even further had the temporary coalition of Molotov and Khrushchev not blocked him. Beria also prepared an initiative toward Yugoslavia for a "fundamental reappraisal and improvement of the relations between the [two] countries". In order to forestall West Germany's co-option into the Western defense system, he proposed the unification of Germany on a non-socialist basis. Powerful as he may have been, Beria would soon be brought down by Khrushchev, whose abilities he had underestimated. Georgi Malenkov, a technocrat, seized the post of Prime Minister and lingered on a little longer. Unlike Beria, however, Malenkov survived his fall and was allowed to live quietly in retirement. On August 8, 1953 in a nationally broadcast address Malenkov distanced himself from the dogma of the inevitability of war with the capitalist world and declared that "there is no objective grounds for a collision between the United States and the Soviet Union". Later, he would assert that a reduction of tensions was the only alternative to the Cold War, that is, to "the policy of preparing for a new world war". Such a war, he declared, would destroy "world civilization". This declaration was far from the ideas espoused by Khrushchev, who was still thinking in terms of the destruction of the capitalist bourgeoisie. He forced Malenkov to repudiate publicly his heresy, and on January 31, 1955 at a plenary meeting of the Central Committee Malenkov was dismissed from his post of Prime Minister. This coincided with the dismissal of Imre Nagy in Hungary and the strengthening of the Stalinist line within the HWP. The two events were perhaps not coincidental. Nagy, who received his mandate for change from Moscow, gradually lost the Kremlin's support as Beria was executed and Malenkov's influence began to ebb. The fate of the Hungarian "new course" was not decided in the Soviet capital alone. Nagy had never agreed to the slavish adoption of the Soviet model in Hungary and always thought in terms of a Hungarian model of socialism. He interpreted the mandate for change that he had received in Moscow in his own way. Nagy thought that Hungary had "skipped" the transition period to socialism. From this it followed that Nagy initially did not wish to change the model, but only to slow down the "development". Nagy never wielded as much power as Malenkov had as the head of the Soviet nuclear weapons program. In fact,}
Nagy was his party’s chief agricultural expert, which was not exactly a position of power in Rákosi’s industrially minded Hungary; and until his promotion in Moscow Nagy was far removed from the highest echelons of the Hungarian communist leadership.

Nagy’s political, social and economic reform program had been more ambitious than Malenkov’s because unlike his Soviet counterpart, Nagy had come to realize that the party itself was in crisis. The Hungarian reformer’s most drastic measures were directed at reorienting economic priorities. Nagy did not, however, desire to undo the institutional system of the centralized command economy, or to reestablish a market economy in any significant way. The “economic regulators” were restored in agriculture. In order to raise consumption, the 1954 plan reduced the amount allocated for investment by 17%, while at the same time boosted the share of agriculture in investments from 13% to almost 25%. Industrial investments in general were reduced from 46.3% to 35.2%, and the proportion of investments devoted to heavy industry within the category of industrial investment went down from 41% to 30%.

Peasants were allowed to leave agricultural cooperatives; and agricultural taxes were reduced, or tax breaks were granted, not only to cooperatives but to individual peasants as well. The amount of compulsory delivery was also reduced. Unfortunately, however, the country’s economic indicators did not improve; and in some respects they actually got worse. For example, more maize was produced but significantly less wheat. Agriculture’s share in the gross national product did not change. In fact, the nation’s GNP stagnated. Furthermore, in 1954 Hungary’s indebtedness to the West increased significantly. The foreign debt expanded because the country was unable to sell in foreign markets the planned amount of goods in order to offset the growing import of agricultural products and raw materials necessary for its industry. The economic difficulties made it much easier for Rákosi’s “old guard” to conspire against Nagy in Moscow and to attack his policies at home. Rákosi did not hide his aversion to any reform of hard-line Stalinism and spoke out for the continuation of heavy industrialization not long after that policy had been disavowed in the Kremlin. The conflict within the Hungarian leadership was becoming so tense that less than a year after the June 1953 consultation a new one was to be held in Moscow. This new consultation may have been initiated by Rákosi. The screenplay was the same as before: the masters of the Kremlin listened to report on the Hungarian situation, which was delivered by the head of the HWP. The Soviet leaders then passed judgment and gave voice to their policy guidelines. The meeting took place on May 5, 1954 and, among others, included Malenkov, Khrushchev, Voroshilov, Kaganovich, Bulganin, Mikoyan, and Suslov from the Soviet Union and Rákosi, Nagy, Gerő, and Farkas from the Hungarian side. Khrushchev and Voroshilov were interested in the question of unity within the Political Committee; Kaganovich inquired about the class struggle in the countryside and in the
urban areas. Mikoyan wanted to talk about the economy. He worried about the growing foreign trade deficit and claimed that the production of soap, textiles, and shoes was below the 1952 level. According to Mikoyan, Hungary's goals for the development of heavy industry were still set too high. An 86% increase, envisioned in the production of iron in a country that possessed no iron ore or coke, seemed unrealistic. Mikoyan's views were seconded by Malenkov, who also deplored the renewed attempts to accelerate industrialization. Khrushchev then proceeded to pronounce a criticism of Nagy and Rákosi that fell equally on the shoulders of both men. The latter was guilty of sticking to his old policies and not recognizing his mistakes. These errors were harmful to party unity. Then CPSU's first secretary also made a significant remark, which strengthened Nagy's hand. Khrushchev claimed that it was incorrect, as Rákosi had attempted, to explain away the earlier Soviet criticisms by arguing that they constituted a "Beria provocation". "He [Rákosi] thinks," said Khrushchev, "that after we shot Beria, we also shot [Beria's] criticisms. This is not so". Rákosi was responsible for the sentencing of many innocent people. He then scolded Prime Minister Imre Nagy for dwelling too much on the mistakes of the past and not talking enough about the "results" of that same past. This and the statement that "the mistakes will have to be corrected in such a way as not to destroy comrade Rákosi's authority" were clear signals that Khrushchev was no longer firmly supporting the policy of 1953. At the same time he was not ready to return to traditional Stalinism either. In a particularly noteworthy comment Khrushchev touched on the collectivization issue by stating that he did not favor its acceleration, but did not wish to see it held back either. Khrushchev referred to his own experience in the Ukraine as a positive example. There the collectivization had been pursued as part of a "very tense class struggle, but was still concluded three years earlier than in neighboring Byelorussia". Moscow's critiques crystallized around the themes of party unity and economic policy; and it was not hard to see that Khrushchev and the Hungarian "old guard" did not see eye-to-eye on the latter issue. Yet, the two problems were closely interrelated, because economy was the stumbling bloc that divided the Hungarian leadership the most. Of course the economy was important for its own sake as well. The Soviets reinstalled Ernő Gerő, who had been relieved of his economic responsibilities in 1953, and asked him once again to devote fully his energies to economic issues.

This reinstatement allowed Gerő to launch an offensive designed to revive his old economic policies. He and Rákosi tried to convince Yuri Andropov, the Soviet ambassador to Hungary, that the new government was responsible for the economic problems because of its non-repressive peasant policies and devotion to raising the standard of living. The rise of incomes championed by the new government simply exceeded the levels that the country's economy could support. Gerő recommended that the problems could best be alleviated by reducing the
standard of living. This argument startled the ambassador.\textsuperscript{172} Nagy was able effectively to counter the proposals put forward by the hard-line Stalinists, and he threatened to get rid of those who failed to do their best to implement the new course. In his effort to put Gerő out of the way Nagy enjoyed the support of Mihály Farkas, who made an effort to convince Andropov that Gerő had been responsible for the economic malaise.\textsuperscript{173} Nagy emerged victorious in the party’s Central Committee, which took his side in the controversy; and opponents of the new economic course, such as István Friss, lost their position. Nonetheless, Nagy committed a blunder by publishing an article in the party daily, \textit{Szabad Nép}, which violated the party norms by drawing public attention to a dispute within the party leadership. Such publicity, according to the Soviet ambassador, created an “intolerable and abnormal situation,” where “the authority of the party leaders was destroyed in the eyes of a whole range of party organizations”.\textsuperscript{174} Andropov was sending other signals of alarm as well. In late 1954 he reiterated his view that the Hungarian economy was generally in a poor shape, and he drew attention to the problems in agricultural production in particular. Andropov claimed that the yields of Hungarian crops, such as potatoes, maize, sugar beets and sunflower seeds were too low. Furthermore, the state cooperatives’ supply of fodder “was not organized,” and the ambassador complained of great losses in livestock, including the loss of 250,000 pigs because they were poorly kept. Andropov’s superior passed his observations along to the Central Committee.\textsuperscript{175} Andropov’s note also had to be sent to Gosplan in order to facilitate the preparations for the economic consultations requested by the Hungarians. At the same time Rákosi’s attention had to be called to the “deficiencies in the development of the Hungarian national economy and the work of the Central Committee”.\textsuperscript{176} This made Rákosi’s task much easier. He had been plotting against Nagy, while spending extended time in the Soviet Union, allegedly for medical treatment. Interestingly enough, the Soviets’ poor assessment of the weak performance of the Hungarian economy under the new course was shared by the American officials in Budapest. According to the United States embassy there was no appreciable change in the standard of living, and the economy’s performance had failed to improve. Moscow now “offered” yet another consultation. Nagy tried to convince the Political Committee to reject the need for the consultation, but this time the party organ failed him and sided with Rákosi, his arch enemy.\textsuperscript{177} Stalin’s former “best disciple” now turned the tables on his foe. The inquisition in Moscow now showered its curses on Nagy, and to a lesser extent Farkas. Even Malenkov now turned his back on the reform program, which may have been an indication of his dwindling influence in the Politburo. Nagy’s ill-fated article in the \textit{Szabad Nép} came to be one of the chief targets of the attacks, especially because it demonstrated that its author was breaking the party’s sacred unity. Malenkov “read it with great anxiety;” and claimed that had it not been signed by Nagy, he would have thought it was written by someone alien
from Marxism. He deemed that "rotten" trends were lurking behind Nagy. Khrushchev seconded Malenkov by claiming that Nagy’s article was "the best gift for the bourgeoisie; [and] Churchill is rubbing his hands" in the hope that Hungary will become a second Yugoslavia. Kaganovich and Molotov both got an opportunity to take revenge for having had to disavow their own policies eighteen months earlier. Now they claimed that Rákosi was a well-respected communist and condemned Nagy’s economic policy. Molotov blamed it on Beria and noted that they had warned the Hungarians that the recommendation to allow people to leave the cooperatives was only Beria’s provocation. Molotov also added that without the Soviet Union’s assistance the Hungarian People’s Democracy could not survive. There was one significant difference from 1953. Then the Soviets actually appointed Nagy and dismissed Rákosi as the premier. Now they did not put forward such a concrete “recommendation”. Instead, they offered Nagy a chance to survive by exercising self-criticism. At this point Nagy offered his resignation. But this solution was not favored in Moscow because it would have signaled that the Prime Minister was in conflict with the party. The Kremlin and the Hungarian Political Committee preferred some form of public self-criticism. Consequently, the Hungarian Politburo discarded Nagy’s resignation at its January 13 session. On the other hand Nagy had to accept all of the elements of Soviet criticism and implement the required changes without reserve. Although the Prime Minister was not completely inimical to some measure of self-criticism, he was not willing to go to the lengths required of him by his adversaries in Hungary and the Soviet Union. At this point, Mikhail Suslov was sent to Budapest to solve the impasse. In a pattern that would subsequently be repeated, Hungarian domestic issues came under the direct guidance of a Soviet expert. The Soviet emissary not only met with Nagy on two occasions to try to negotiate a suitable solution but also participated in the March 12–14 session of the HWP Central Committee meeting. Even during the Stalin years the Soviets had not resorted to sitting in on the meetings of the Hungarian Central Committee or at any other party sessions. Mikoyan would do so again in July 1956, when Rákosi’s successor had to be appointed. This time, however, it was Nagy’s turn to be defeated. He was forced to resign and was then expelled, first from the Politburo and then from the party itself. Nevertheless, the genie was already out of the bottle, and it would take a massive armed Soviet intervention to usher it back in again.

Nagy’s removal can be understood against the backdrop of the power struggle within the Kremlin. Malenkov lost out to Khrushchev. This meant that instead of promoting a policy of peaceful coexistence, the shoring up anti-imperialist defense was determined to be the proper response to West Germany’s remilitarization. Khrushchev was unable to rid himself of the notion that the final showdown with the bourgeoisie was inevitable. Hence, the Warsaw Pact required increased military contribution by the people’s democracies; and the emphasis on consumer
goods and agriculture became untenable. One historian has argued that Nagy’s reforms did not fit into the Soviet policy of piecemeal “corrections,” not because of their rapidity but because they threatened to transcend a certain limit and destabilize the system. From Moscow’s perspective it was not the actual details of the reforms but the tendencies revealed by the reforms that were too dangerous. Namely, these steps appeared to be leading to “democratic reform”.181 Yet, there must have been some immediate and concrete reasons behind the Soviet intervention to steer Hungary toward yet another change. This time the Hungarians were to adopt a “conservative” course. If one recognizes that the role of Hungary as a Leninist client state was to satisfy the USSR’s imperial needs, these reasons become more readily apparent. Hungary, as we have seen, rendered military services to the Soviet Union. The importance of these military services were suddenly upgraded by the Austrian treaty and even more by the existence of the Warsaw Pact. Some Soviet armed forces had to be removed from Austria and re-stationed in Hungary. Khrushchev had criticized Nagy’s military policy by stressing that it was not enough to have enough bacon, aircraft were also needed.182 Hence, if Hungary had followed Nagy’s policies, it would not have been able to satisfy the Soviet empire’s military requirements. Moreover, Nagy had proved unable to carry out the reduction of Hungarian indebtedness to the West; and what is more, the debt problem had gotten far worse while he was in power. It did not matter that there was nothing much that Nagy, or anyone else, could do about this indebtedness. The trend had to be arrested, because it was destabilizing the economy and increasing Hungary’s reliance on such countries as the Federal Republic of Germany. Yet, if the Stalinists thought that the time had come to return to the old path, they were badly mistaken. The seemingly unpredictable Soviet leadership soon produced yet another unexpected turn of events. As we have seen, Soviet domestic political development often had a direct influence on the Hungarian domestic sphere. But the impact of Soviet domestic politics was never as dramatic as it would become in the wake of Khrushchev’s secret speech at the CPSU’s 20th Congress. Khrushchev’s condemnation of Stalin’s purges cleared the way to an open split between the reformers and Stalinists within the Hungarian party. Furthermore, the criticism of Stalin also eventually led to the mass expression of discontent, or in the final analysis to the first revolution behind the iron curtain.

Notes

2. For an argument that Stalin would have accepted a unified Germany in 1952 under certain conditions see Stein Bjornstad, “The Soviet Union and German Unification During Stalin’s
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Last Years” (Oslo, 1998. Defense Studies, 1998/1). On the other hand Adomeit believes that “the diplomatic note and its sequels were a tactical device designed to... gain a greater degree of influence on West German public opinion ... to delay or prevent West Germany defense integration in the framework of the EDC ...” and other ends. Hannes Adomeit, Imperial Overstretch, op. cit., 88.


8. Ibid.


17. Dokladnaia zapiska Zabolzhskogo Baranovu. July 11 1949. VEDRA, tom II, op. cit. Document 54. 179–180. See also Dokladnaia zapiska S. T. Zabolzhskogo v Sekretariat Informburo o protsesse nad Rajkom, besedah s Rákosim. September 29 1949. Ibid. Document No. 72. 231–234. Rákosi told his interlocutor that he had had “many debates with Farkas, who wanted to condemn everyone to death”. On the other hand Rákosi wanted to save Brankov in order to be able to “further reveal” the “Tito clique”.

18. In 1949 prior to the national election the party fixed the number of party member MPs in 70%. 20% would be “secret party members”. Rákosi’s letter to Suslov. April 13 1949. VEDRA, tom II, op. cit., 70–74.


21. Ibid., 93.


23. Rákosi Mátyás, Visszaemlékezések, Volume II, op. cit., 753. Rákosi considered Stalin an all-round talent, who was better than his former rivals like Bukharin or Trotsky if all requirements for a politician are taken together even if in one or another field they may have been more able than Stalin.


40. Rákosi’s letter to Stalin. March 27 1951. op. cit.
43. Rákosi’s speech at the meeting of the HWP Political Committee. HNA HWP Rákosi Secretariat. 276 f. 65 cs. 30 öe.
44. In writing this passage I used Schmidt Mária, “Ez lesz a perek pere” – Adalékok egy torzóban maradt tisztogatási akcióhoz. In.: Schmidt Mária, Diktatúrák Ördögszekére (Budapest, 1998).
45. George Schopflin, Politics in Eastern Europe, op. cit.
47. The figure is from Recommendation to the HWP Political Committee. December 6 1955. HNA HWP 276 f. 53 cs. 260 öe.
51. Izsák Lajos, Rendszerváltástól rendszerváltásig, op. cit., 112.
52. Andrzej Paczkowski, Fél évszázad Lengyelország történetéből, op. cit., 175.
53. Révai’s memorandum to Rákosi. HNA HWP Rákosi Secretariat. 276 f. 65 cs. 16 öe.
58. HNA HWP Rákosi secretariat. 276 f. 65 cs. 82 öe.
65. The Soviet cultural institutions were supposed to work according to “long-term, pre-formulated plans”. Pismo sotrudnika tsentralnogo apparata MID SSSR Levichkina, March 21 1949, op. cit.
67. Resolution on the work of the Soviet–Hungarian Association. February 1 1954. HNA HWP 276 f. 65. Cs. 94 öe. The Soviet Union failed to become popular. The resolution claimed that the Association sought to “justify the overextended production plans – which were not popular at all – with the Soviet example and thus on not one occasion depicted the Soviet Union in a distorted way”.

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72. Jegyzőkönyv a szovjet és a magyar párt- és állami vezetők tárgyalásairól. *Múltunk* 1992/3. Published by T. Varga György, 268. According to Rákosi’s account the Americans raised the issue on two separate occasions. On the first, at the reception, the US minister said that Eisenhower would be interested in meeting the leaders of the people's democracies and would perhaps invite them. Rákosi informed Kiselev of the initiative, and asked his foreign minister to inform Kiselev if he found out more. Without his knowledge the US minister raised the issue again at another reception, to an official of the Hungarian Foreign Ministry in a “concrete form”, saying that Eisenhower wanted to meet Rákosi himself. Allegedly the latter found out about this second initiative only when the Soviets read Kiselev’s report. Rákosi Mátyás, *Visszaemlékezések*, II, *op. cit.*, 917.
73. HNA FM XIX-J-1-j USA tük 1/b Box I. 0064–1955.
74. The Soviet ambassador’s visit at Foreign Minister Imre Horváth. HNA FM Moszkva tük XIX-J-1-j IV-100.2. 1/d Box 5 1455/56.
75. HNA HWP Rákosi Secretariat. 276 f. 65 cs. 182 öe.
77. Pismo Vishinskogo Staliniu. September 8 1951. *op. cit*.
83. Quoted by Okváth Imre, *Bágya a béke frontján, *op. cit.*, 334.
84. Letter by Khruschev to Rákosi. HNA HWP 276 f. 53. cs. 229 öe.
87. For description of the exercise see David Holloway, *Stalin and the Bomb*, *op. cit.*, 326–328.
88. See Pető Iván–Szakács Sándor, *A hazai gazdaság négy évtizedének története*, *op. cit.*, 162.


97. Meeting held by Ernő Gerő on foreign trade. June 3 1952. HNA HWP Gerő Secretariat. 276 f. 66 cs. 69 öe.


100. Memorandum on the debt situation, 1955. HNA HWP Rákosi secretariat, 276 f. 65. cs. 283 öe.


103. Pető Iván–Szakács Sándor, *Hazai gazdaság négy évtizedének története*, *op. cit.*, 166.

104. The debt was calculated in “deviza forints”, which was equal to two forints. The exchange rate for the forint was 12 to a dollar.

105. The Balkan Department of MID (Valkov) to the Soviet consul in Győr (Iniushkin). January 26 1953. AVPRF Fond 077 opis 33 papka 164 delo 200.

106. Memorandum by the Deputy Foreign Minister of Foreign and Domestic Trade (Kumikin) to the Deputy Minister of Foreign Trade (Zorin). May 23 1953. AVPRF Fond 077 opis 33 papka 164 delo 210.


123. LÁSZLÓ BORHI


125. Report by the Deputy Minister of Foreign Affairs Andor Berei to the Minister of Trade László Háy. February 2 1955. HNA HWP 276 f. 65. cs. 283 öe.


127. The coalmines of the Pécs region, which was among the country’s most important coal regions had been attached the Soviet–Hungarian Navigation company.

128. Obligations concerning the companies purchased from the Soviet Union. HNA HWP Gerő Secretariat. 276 f. 66. cs. 71 öe.


130. Memorandum to the HWP Political Committee. August 18 1954. HNA HWP 276 f. 53. cs. 190 öe.


151. For the Soviet debate on the fate of the GDR and Ulbricht’s manoeuvres see Christian Ostermann, "This is not a Politburo but a Madhouse", *op. cit.*

152. For the documentation of the June 13–16 meeting see: Jegyzőkönyv a szovjet és a magyar párt-és állami vezetők tárgyalásairól, *op. cit.*, 234–269. A part of the minutes were appeared in English translation in: Christian Ostermann, “This is not a Politburo but a Madhouse”, *op. cit.*, 81–86.


159. *Ibid.*, 164; 166.


168. *Ibid.*, 140. In reality the Political Committee discarded István Friss’s proposal to halt the economic reforms and supported Nagy in the reduction of investments by 11 billion forints.


