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The Director of Central Intelligence  
Washington, D.C. 20505

National Intelligence Council

NIC No. 01655-85  
27 March 1985

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM: George Kolt  
National Intelligence Officer for Europe

SUBJECT: Proposed Discussion Items for Your Meeting with  
Ambassador Salgo, Thursday, 28 March 1985

1. The Ambassador recently had a lengthy meeting with Kadar during which Kadar gave a lengthy philosophical review of his life. (Attachment A) The real purpose of the meeting, however, was for Kadar gently to tell the Ambassador that a visit by President Reagan (which has been bruited about) would not be desirable at this time. A visit by SECSTATE, however, would be welcomed. This indicates that the Hungarians do not want the limelight right now. There are at least two possible explanations for this. The optimistic one is that Kadar is relaunching a reform program against some opposition and would not be helped by a Presidential level demonstration of the closeness of Hungary's ties with the West. The pessimistic interpretation is that Kadar is waging a losing battle against domestic and foreign critics of his moderate policies and would be hurt further by a Presidential visit. Although with some reservations, I lean toward the first interpretation. You may want to ask the Ambassador his view.

2. You may want to congratulate the Ambassador on his correct prediction (attachment 2) that the Party Congress (which will be concluding the day you will be seeing the Ambassador) will "reelect"

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Kadar First Secretary. [redacted]

It also

appears, however, that Kadar's economic policies are handicapping intellectuals and workers in heavy industry whose skills do not lend themselves to "moonlighting" and is probably disliked by the Party apparatus. Does the Ambassador think the emergence of the reputedly ideologically orthodox Grosz as Budapest Party Secretary will encourage the apparatus slowly to sabotage or even reverse the reform program?

3. A related and important social question is whether a prolonged period of austerity (as seemingly forecast by Kadar in his opening speech at the Party Congress) will undermine the existing social compact and lead an increasingly important number of people to question the historical and current rationale for Hungary's relatively mild but still authoritarian style of government.



George Kolt

Attachments:

- 1. NC 6794613-Budapest 2230
- 2. NC 6805434-Budapest 2241

Distribution:

- 1 - DCI
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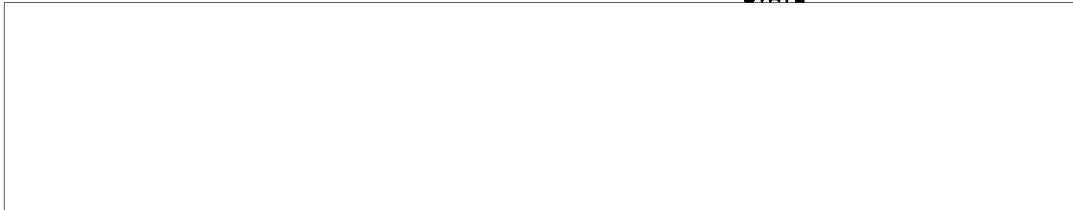
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E.O. 12356: DECL: OADR  
TAGS: PREL, HU, US  
SUBJ: MARCH 1 CONVERSATION BETWEEN JANOS KADAR AND AMBASSADOR SALGO

1. (C) ENTIRE TEXT.
2. BACKGROUND. I HAVE MET WITH MR. KADAR ON THREE PREVIOUS OCCASIONS, TWICE DURING LARGE RECEPTIONS GIVEN BY THE HUNGARIAN POLIT CAL ELITE FOR FOREIGN DIPLOMATS IN GENERAL. AT THE VERY FIRST ONE, I WAS PARTICULARLY INTRODUCED TO MR. KADAR AND WE HAD A FEW MINUTES CONVERSATION. ON THE SECOND OCCASION, MR. KADAR CAME UP TO ME TO GREET ME AND TO EXCHANGE PLEASANTRIES OF A SUPERFICIAL NATURE. THE THIRD OCCASION RESULTED FROM THE VISIT TO HUNGARY BY MR. ARMAND HAMMAR AND MR. OTIS CHANDLER. I MORE OR LESS INVITED MYSELF TO PARTICIPATE IN THEIR MEETING WITH KADAR AND WAS TOLD BY KADAR'S OFFICE THAT IF HAMMAR AND CHANDLER DID NOT OBJECT, KADAR WOULD BE DELIGHTED TO HAVE ME ACCOMPANY THEM. (REF. 84 BUDAPEST 7844)
3. THE PRESENT VISIT (OUR FOURTH MEETING) WAS A RESULT OF THE RECENT VISIT OF FERENC HAVASI TO THE UNITED STATES AND THE RUMORS REGARDING A POTENTIAL VISIT BY PRESIDENT REAGAN TO HUNGARY. HAVASI HAD INDICATED TO ME DURING THE TROP THAT KADAR WOULD BE RECEIVING ME, AND MINISTER KAPOLYI ALSO ADVISED ME OF SAME UPON MY RETURN FROM THE UNITED STATES. IT WAS MIKLOS NEMETH WHO ENCOURAGED ME TO MAKE A FORMAL REQUEST TO SEE KADAR, FOLLOWED IMMEDIATELY BY A SPECIFIC REQUEST FROM MINISTER KAPOLYI TO PUT IN A REQUEST TO GYULA HORN, THE HEAD OF THE FOREIGN DEPARTMENT OF THE PARTY. MR. HORN WAS OBVIOUSLY AWAITING MY CALL BECAUSE HE DID NOT APPEAR SURPRISED. SHORTLY THEREAFTER, THROUGH ALL THREE CHANNELS, I WAS UNOFFICIALLY ADVISED ABOUT FRIDAY'S FORTHCOMING VISIT. GYULA HORN CALLED ON WEDNESDAY MORNING AT 8 A.M. SHARP TO OFFICIALLY REQUEST THAT I COME ON FRIDAY AT 11 A.M. SO MUCH FOR ANTECEDENCE.
4. THE MEETING ITSELF WENT ALONG WITH TYPICAL HUNGARIAN PROTOCOL ROUTINE. I ARRIVED A FEW MINUTES BEFORE 11 A.M. IN FRONT OF PARTY HQ WHERE I WAS GREETED BY THE MILITARY GUARDS AND A SPECIAL SECRETARY. I WAS TAKEN UP TO MR. KADAR'S LARGE SUITE OF OFFICES ON THE FIRST FLOOR AND ASKED TO WAIT. WITHIN SECONDS MR. KADAR EMERGED AND USHERED ME

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PERSONALLY INTO HIS INNER RECEPTION ROOM, WHICH IS ALSO HIS WORKING OFFICE. WE WERE SEATED (AS ON THE PREVIOUS OCCASION) FACE TO FACE ON OPPOSITE SIDES OF A LONG TABLE, ALONE. ~~WHEN THE SECRETARY WAS NOT FAST ENOUGH TO LEAVE THE ROOM, MR. KADAR URGED HIS MORE SPEEDY DEPARTURE WITH A WAVE OF HIS HAND.~~

## PART I.

5. THE CONVERSATION CAN BE BROKEN DOWN INTO THREE PARTS. THE FIRST PART, AFTER THE USUAL AMENITIES, KADAR ENTITLED, "LET'S GET ACQUAINTED." ON HIS PART, AND THIS IS SEEMINGLY HIS USUAL WAY, HE BEGAN TALKING ABOUT HIS VERY HUMBLE ORIGINS AND HIS MOTHER, WHO BORE HIM OUT OF WEDLOCK AND WAS NEVER MARRIED. HE NEVER MENTIONED HIS FATHER. HE EXPLAINED HOW HIS MOTHER WHO WAS A SIMPLE DOMESTIC WORKER, HAD TO GIVE HIM UP TO A CHILDLESS PEASANT FAMILY WHO, FOR REMUNERATION, RAISED HIM. HE DID MENTION THAT WHEN HE WAS SIX YEARS OLD, HIS MOTHER DECIDED THAT HE SHOULD NOT BECOME A PEASANT AND, CONSEQUENTLY, SHOULD ATTEND BETTER SCHOOLS IN BUDAPEST. SHE TOOK HIM TO BUDAPEST WHERE HE LIVED WITH ANOTHER COUPLE. HIS FIRST "FOSTER PARENTS" WERE VERY UNHAPPY ABOUT HIS DEPARTURE BECAUSE THEY HAD GROWN VERY FOND OF HIM AND, INDEED, HAD TREATED HIM AS IF HE WERE THEIR OWN. HE MENTIONED VERY HAPPILY THAT FROM THE AGE OF SIX UNTIL HE WAS 14, HE WENT BACK TO THEM DURING HIS SUMMER VACATIONS. FROM THE AGE OF SIX ONWARDS, HE EARNED MONEY FOR HIMSELF AS A "PORK GUARDIAN" (IN HUNGARIAN - "KONDAS SEGED"). HE WENT TO ELEMENTARY SCHOOL AND THE POLGARI ISKOLA, THE SIMPLEST OBLIGATORY SECONDARY SCHOOL. IT SHOULD BE NOTED THAT AT THE BEGINNING OF THE CONVERSATION HIS SECRETARY BROUGHT IN TWO WHISKEYS, WHICH HE FELT WAS THE APPROPRIATE REFRESHMENT FOR THE TIME OF DAY AND ON WHICH HE SIPPED VERY SPARINGLY. INDEED, AT THE VERY END OF THE CONVERSATION, OVER AN HOUR AND A HALF LATER, HIS GLASS WAS STILL ABOUT ONE-THIRD FULL. HE ALSO ASKED PERMISSION TO SMOKE AFTER HAVING OFFERED ME A CIGARETTE AND REALIZING THAT I WAS A NON-SMOKER. WHEN I MENTIONED THAT MY WIFE DOES THE SMOKING IN MY HOME, HE SAID THAT WAS FUNNY BECAUSE IT WAS CONTRARY TO COMMON PRACTICE. AT MY SUGGESTION, HE AGREED THAT HE HAS TRIED TO STOP SMOKING, BUT JUST CAN'T SEEM TO BREAK THE HABIT. IN AN EFFORT TO CUT DOWN, HE PUTS HIS LIGHTER IN ONE POCKET AND HIS CIGARETTES IN ANOTHER SO THAT WHEN HE NEXT WANTS A CIGARETTE HE HAS TO LOOK HARDER FOR THEM.

6. MR. KADAR WENT ON TO SAY THAT AFTER HE FINISHED SECONDARY SCHOOL AT AGE 14, HE BECAME AN APPRENTICE TO A STEEL MANUFACTURING MASTER. UNFORTUNATELY, FROM THAT POINT ON HE WAS NEVER ABLE TO RETURN TO HIS FOSTER PARENT'S HOME AND TO THE VILLAGE OF HIS EARLY CHILDHOOD BECAUSE AT THAT TIME APPRENTICE WORKERS DID NOT RECEIVE ANY VACATION. HE HAD TO WORK ALL YEAR ROUND. HE EXPLAINED THAT SEVERAL TIMES HE HAS BEEN ASKED TO WRITE HIS MEMOIRS OF HIS CHILDHOOD AND HIS EDUCATION, AND, IN PARTICULAR, HIS REASONS FOR BECOMING A COMMUNIST. HIS ANSWER TO THIS, BESIDES INDICATING THAT HE ONCE DID WRITE A FEW PAGES ON THE SUBJECT, WAS THAT HE DID NOT BECOME A COMMUNIST BECAUSE HE

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JOINED THE UNION MOVEMENT, WHICH HE DID VERY EARLY -- AS SOON AS HE WAS ACCEPTED AS AN ASSISTANT WORKER AT THE AGE OF 16, AFTER TWO YEARS OF APPRENTICESHIP. THIS WAS ALSO THE YEAR OF THE START OF THE EUROPEAN ECONOMIC CRISIS, PARTICULARLY FELT IN HUNGARY, SO AFTER A FEW MONTHS AS AN ASSISTANT, HE WAS LAID OFF ALONG WITH MANY OTHERS. HE INSISTED THAT HE NEVER WAS VERY INTERESTED IN IDEOLOGY THEN OR IN HIS LATER YEARS, BUT WAS MORE CONCERNED WITH FINDING AN ACCEPTABLE STANDARD OF LIVING FOR HIMSELF, BUT NOT AT THE EXPENSE OF

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HIS FELLOW WORKERS. THIS STATEMENT PRETTY WELL UNDERSCORES WHAT I PERCEIVE TO BE HIS EVALUATION OF HIMSELF: HE CONSIDERED HIMSELF VERY CAPABLE AND TALENTED AT A YOUNG AGE AND EMBUED WITH LEADERSHIP ABILITIES. HE STRESSED THAT HE WANTED TO DO HIS PART IN RECTIFYING THE MISERABLE LIVING CONDITIONS OF THE PEASANTS AND WORKING CLASS, BUT HE WANTED TO ACCOMPLISH THIS WITHOUT HURTING HIS FELLOW WORKERS. THIS PRETTY WELL ILLUMINATES HIS STATE OF MIND AT THE TIME, AND I THINK IT EXPLAINS HIS WHOLE CAREER IN SOME RESPECTS. HE OFTEN RETURNED TO SIMILAR STATEMENTS DURING OUR LENGTHY CONVERSATION.

7. KADAR TALKED AT LENGTH ABOUT THE DIFFICULT DEPRESSION YEARS AND THE ODD JOBS HE WAS FORCED TO TAKE JUST TO SURVIVE. DURING OUR ENTIRE CONVERSATION HE WAS VERY ANIMATED, USING STRONG BODY LANGUAGE. I SAW NONE OF THE FREQUENT "MASKS" WHICH HAD APPEARED ON HIS FACE AND FROZE HIM FOR SEVERAL MINUTES DURING OUR MEETING WITH HAMMER AND CHANDLER.

8. AFTER DESCRIBING THE MISERABLE AND ALMOST TRAGIC CONDITION OF THE HUNGARIAN WORKER DURING THE LATE TWENTIES, HE CAME BACK TO THE REASONS FOR HIS BECOMING A COMMUNIST. THERE WERE MEETINGS AND VARIOUS SPEAKERS WHO EXHORTED THE WORKERS TO IMPROVE THEIR WAY OF LIFE. HE EVEN CITED SOME SLOGANS, WHICH, FRANKLY, I EVEN REMEMBER VERY WELL FROM MY OWN CHILDHOOD. ONE OF THESE WAS "MUNKAT KENYERET," WHICH MEANS "WORK AND BREAD." AT THAT POINT, I RECALLED HOW JUSTIFIED AND SAD THESE DEMONSTRATIONS APPEARED TO ME AT THE TIME, ALTHOUGH I WAS THREE YEARS YOUNGER THAN KADAR WHO WAS OUT IN THE STREETS. HE MENTIONED THE FACT THAT THESE SPEAKERS, AS WELL AS MANY OF THE TRADE UNIONS, WERE INFILTRATED BY THE COMMUNISTS AND ONE OF THESE COMMUNIST AGITATORS APPROACHED HIM AND SUGGESTED HE COME TO SOME OTHER MEETINGS WHERE HE WAS ULTIMATELY ASKED TO JOIN THE PARTY'S YOUTH ORGANIZATION, WHICH HE DID. HE DIDN'T LAST LONG BECAUSE AFTER FIVE WEEKS HE WAS CAUGHT BY THE POLICE. HE WAS IN AND OUT OF JAILS UNTIL HE FINALLY HAD TO GO UNDERGROUND.

9. EVIDENTLY SKIPPING AHEAD QUITE A BIT, HE BEGAN TALKING ABOUT HIS EXPERIENCES DURING THE WAR, LEAVING OUT FIVE TO SEVEN YEARS DURING THE THIRTIES. HE WENT UNDERGROUND AT THE BEGINNING OF THE WAR AND TRIED TO STAY HIDDEN FOR THE DURATION, NOT VERY SUCCESSFULLY AT TIMES. MEANWHILE, HE HAD ADVANCED QUITE A BIT WITHIN THE COMMUNIST ORGANIZATION AND BECAME ONE OF THE IMPORTANT PARTY SECRETARIES DURING THE WAR YEARS, A FACT THAT WAS ALSO KNOWN TO THE THEN HORTHY REGIME, SO THEY WERE REALLY LOOKING AFTER HIM.

10. AFTER HUNGARY'S COLLAPSE IN 1945, RAKOSI RETURNED AND KADAR JOINED THE RAKOSI REGIME ORGANIZING THE COMMUNIST TAKEOVER OF HUNGARY.

HE MADE A TYPICALLY KADAR-TYPE DETOUR AT THIS POINT, GOING ON TO TELL ME AT GREAT LENGTH THAT HE HAD NEVER BEEN IN THE SOVIET UNION AND THAT

HE WAS NEVER INDOCTRINATED INTO SOVIET COMMUNISM. HE WAS OFFERED A TRIP IN THE THIRTIES, AS WELL AS SCHOOLING, WHICH HE REFUSED. WHEN QUESTIONED AS TO HIS REASONS FOR REFUSING, HE REPLIED THAT HE WAS A HUNGARIAN PEASANT AND WORKER AND WANTED TO STAY IN HUNGARY TO DETERMINE

WHAT NEEDED TO BE DONE. FOR THAT HE DIDN'T FEEL HE NEEDED SOVIET SCHOOLING. HE WAS AGAIN INVITED IN THE LATE FORTIES FOR ONE OR TWO TRIPS, WHICH HE MADE, AND SOMETIME DURING 1950 OR 1951 HE WAS PERSUADED TO GO TO A HIGH PARTY SCHOOL IN THE SOVIET UNION AND HE REQUESTED PERMISSION FOR THIS FROM RAKOSI. RAKOSI REFUSED, INDICATING THAT THERE WAS TOO MUCH TO BE DONE AT HOME AND NO TIME FOR SCHOOLING. AS A CONSEQUENCE, KADAR NEVER REALLY ENTERED THE SOVIET "SYSTEM," NEVER HAVING ANY FORMAL STUDY IN THE SOVIET UNION. HE IS OBVIOUSLY EXTREMELY PROUD OF THIS MAJOR DIFFERENCE BETWEEN AND ALL THE OTHER OLD BOLSHEVIKS, WHO

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OF WHOM SPENT SUBSTANTIAL TIME IN THE SOVIET UNION AND WERE DEFINITELY  
SCHOOLED THERE.

11. THE CONVERSATION THEN RETURNED TO HIS PROBLEMS WITH RAKOSI AND THE  
HE  
PARANOIA OF THE FIFTIES. HE MADE SEVERAL PECULIAR REMARKS: (1) ADDRESS-  
S-  
ING THE ONE-PARTY SYSTEM, HE CONDEMNED THE ELIMINATION OF ALL NON-  
COMMUNIST PARTIES--AS UNNECESSARY AND ABSOLUTELY WRONG IN THE LONG  
RUN. AS PROVEN BY '53-'56. (2) "WHEN EVERYBODY WAS LOOKING EVERYWHERE  
RE  
FOR AN ENEMY OR SPY AND COULDN'T FIND ANY, OF COURSE THE ONLY PLACE  
LEFT TO LOOK WAS THE PARTY," WHICH RESULTED IN THE FAMOUS (OR INFAMOUS)  
S)  
PUBLIC CONDEMNATIONS--HE WAS AFFECTED AS WELL.

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*171 son. Jailed by Rakosi & badly mistreated in prison by the*

HE DWELT VERY SLIGHTLY ON THE EVENTS OF 1956 AND HIS RELATIONSHIP WITH  
H  
ANDROPOV. HE DIDN'T MENTION MIKOYEN OR HOW HE GOT HIS ASSIGNMENT.  
INSTEAD HE WENT INTO GREAT LENGTHS TO EXPLAIN HIS MOTIVATION, WHICH  
WAS TO ULTIMATELY PRESERVE A DECENT WAY OF LIFE FOR THE HUNGARIAN  
WORKER AND PEASANT, WHICH, IN HIS OPINION, COULD HAVE BEEN LOST BY THE  
E  
EXCESSIVE AND MUCH-TO-POLITICAL ORIENTATION OF THE EVENTS IN 1956.  
INDEED, HE REMARKED THAT FROM 1953 ON, THE WHOLE COUNTRY WAS IN  
TURMOIL, AND IT WAS EVIDENT TO HIM THAT UNLESS A VERY STRONG LEADERSHIP  
IP  
KEPT THINGS IN BOUNDS AND, CONSEQUENTLY, BROUGHT THINGS TO ACCEPTABLE  
LIBERATED CONDITIONS BUT STILL WITHIN THE SOVIET FRAMEWORK, A  
DISASTER WOULD RESULT, AND IT DID.

PART II.

12. HAVING BROUGHT HIS LIFE STORY TO THE POINT WHERE HE BECAME FIRST  
PARTY SECRETARY, HE STOPPED AND BEGAN TO QUESTION ME. BEFORE I COME  
TO THIS, HOWEVER, I WOULD LIKE TO NOTE THAT IT WAS AMAZING TO ME THAT  
HE NEVER DUPLICATED ANYTHING WHICH HE TOLD US (BUT OBVIOUSLY ADDRESSED  
D  
TO ME) DURING THE MEETING WITH HAMMER AND CHANDLER. I CAN'T IMAGINE  
THAT HIS MEMORY IS THAT GOOD, BUT THE FACT IS THAT THERE WAS NO REPE-  
TITION OF WHAT HE TOLD US ON THAT OCCASION. EVERYTHING HE TOLD ME AT  
THIS TIME WAS NEW.

13. TO KADAR'S QUERY IF HE COULD ASK ME SOME PERSONAL QUESTIONS, I  
REPLIED, "WHY NOT?" HIS FIRST QUESTION WAS TO ASK ME NOW I CAME INTO  
GOVERNMENT SERVICE. I TOLD HIM THAT THIS IS THE SECOND TIME IN MY LIFE  
E  
THAT I BECAME INTERESTED IN GOVERNMENT SERVICE. INDEED, IT HAPPENED  
22 YEARS EARLIER, BUT THE CIRCUMSTANCES AT THE TIME WERE SUCH THAT  
THE JOB OFFERED TO ME WAS REALLY NOT ACCEPTABLE: IT IMPLIED TREMENDOUS  
RESPONSIBILITY, WITH PRACTICALLY NO CONTROL OR VOICE IN THE  
ORGANIZATION FOR WHICH I WOULD BE RESPONSIBLE. SO I DECIDED. HE THEN  
ON TO ASK WHETHER I HAD PROPOSED MYSELF AS A POTENTIAL AMBASSADOR  
TO HUNGARY. OF COURSE, I RESPONDED NEGATIVELY BECAUSE IT WAS ONE OF  
THE GREATEST SURPRISES OF MY LIFE WHEN I WAS OFFERED THIS JOB. I ALSO  
O  
EXPLAINED TO HIM THAT EVER SINCE RETIRING FROM ACTIVE MANAGEMENT OF MY  
GROUP OF COMPANIES, I FELT THAT I SHOULD BE AVAILABLE FOR PUBLIC SER-  
VICE, BUT BASICALLY I HOPED TO FIND A PLACE IN THE FOREIGN TRADE AND  
FINANCIAL AREA AS A NEGOTIATOR OR COUNSELOR OR SOMETHING OF THAT  
NATURE. THE IDEA OF BECOMING AMBASSADOR TO HUNGARY (WHICH I FIRST  
HEARD ABOUT EARLY IN 1983) WAS A COMPLETELY NEW ONE AND A DIFFICULT  
ONE FOR ME. DIFFICULT BECAUSE I REALIZED IMMEDIATELY THE DANGERS  
AND THE EXPOSURE IT REPRESENTED, BUT I ALSO REALIZED IT WAS THE EX-  
PRESSION OF A DEGREE OF CONFIDENCE THAT COULDN'T BE REFUSED.

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14. THE CONVERSATION WENT ON REGARDING MY ROLE AS AMBASSADOR HERE. HE WENT INTO GREAT DETAIL TO EXPLAIN THAT WHEN THE AGREEMENT WAS REQUESTED THEY WERE QUITE PERPLEXED. THEY LIKED THE IDEA, BUT AT THE SAME TIME THEY WONDERED HOW AND WHY. SINCE THEY COULDN'T LEARN ANYTHING WHICH WOULD INDICATE THAT I WAS A MAJOR REPUBLICAN ACTIVIST OR CONTRIBUTOR, THEY WERE EVEN MORE PERPLEXED. BUT THEY GAVE THEIR AGREEMENT SINCE THEY COULDN'T FIND ANY REASON TO WITHHOLD IT. HE WENT ON TO PRAISE MY FIFTEEN MONTHS OF WORK HERE, NOTING THAT IN HIS OPINION AND THAT OF OTHER GOVERNMENT OFFICIALS WITH WHOM I HAVE WORKED, I AM A VERY FAIR AND UNUSUALLY ACTIVE AMBASSADOR WHO IS AWARE OF HIS HOST COUNTRY'S INTERESTS AND AFFAIRS, BUT PROTECTS HIS OWN COUNTRY'S INTERESTS AS WELL. HE REPEATED THIS SENTIMENT IN VARIOUS FORMS AND WANTED ME TO UNDERSTAND THAT IT IS VERY MUCH APPRECIATED AND THAT HE WANTED TO THANK ME PERSONALLY FOR IT.

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15. KADAR THEN BROUGHT UP THE HAVASI VISIT, INDICATING THEY WERE REALLY AMAZED AT THE EXTENT AND DEPTH OF THE VISIT. HE JOKINGLY MENTIONED THAT HE WAS ABSOLUTELY DELUGED WITH REPORTS, GESTURING WITH HIS HANDS AROUND A LARGE, IMAGINARY PACKAGE IN FRONT OF HIM. HE INDICATED THAT SEEMINGLY HAVASI VISITED JUST ABOUT EVERYONE IN THE UNITED STATES WHO CAN BE CONSIDERED IMPORTANT. HE WENT ON TO SAY THAT THIS WAS A VERY IMPORTANT AND NECESSARY VISIT FOR HUNGARY AND THE U.S.

16. AT THIS POINT, KADAR OPENED UP THE SECOND PART OF THE CONVERSATION, WHICH WAS DEVOTED TO THE HISTORY OF THE BILATERAL RELATIONS. I WANT TO MENTION, HOWEVER, BEFORE GOING ON TO THE SECOND PART, THAT KADAR PROMPTED ME TO GO INTO RECIPROCAL REMINISCENCES REGARDING MY YOUTH IN HUNGARY AND OUR RESPECTIVE EXPERIENCES AND FEELINGS AT THAT TIME TOWARDS THE THEN REGIME AND OUR STANDARD OF LIVING. TOWARD THE END OF THIS EXCHANGE, HE SWITCHED BACK AGAIN TO MY BECOMING AMBASSADOR AND SAID THAT WHAT REALLY AMAZED THEM WAS THAT SOMEONE OF MY STATURE, COMING FROM A WELL-KNOWN AND RESPECTED HUNGARIAN FAMILY, HAVING ATTAINED A GENERALLY RESPECTED POSITION IN THE UNITED STATES, WOULD COME TO HUNGARY AS AMBASSADOR. I REPLIED THAT THIS WAS THE PROOF THAT OUR GOVERNMENT WAS REALLY SERIOUSLY INTERESTED IN IMPROVING AND BUILDING UP OUR BILATERAL RELATIONS, OBVIOUSLY LOOKING FOR SOMEONE WHO COULD MAKE MORE OF A MAJOR CONTRIBUTION TO THIS EFFORT THAN THE AVERAGE FOREIGN SERVICE PERSON.

17. THE CONVERSATION THEN TURNED TO THE PROBLEMS OF HUNGARIAN-AMERICAN RELATIONS. HE DIDN'T DEVELOP THIS IN ANY DETAIL BUT HE DISCUSSED THE GOOD BEGINNING, WHICH FADED AWAY WITH THE MINDSZENTY SITUATION AND REMAINED AT A LOW EBB FOR TOO LONG. AS SOON AS THERE WAS A SIGN THAT THE UNITED STATES WAS INTERESTED IN IMPROVING RELATIONS, "WE DID EVERYTHING AND PAID EVERYTHING IT COST TO GET THESE RELATIONS BACK ON A NORMAL FOOTING." THEY PAID EVERY PENNY OF EVERY DEBT, WHATEVER THE TREASURY DEPARTMENT REQUIRED, TO BE ABLE TO BE CONSIDERED AS ACCEPTABLE PARTNERS, AND FROM THERE ON EVERYTHING BECAME SLOWLY, BUT SUCCESSIVELY, MORE NORMAL. CONSEQUENTLY, THEY WERE PERFECTLY HAPPY TO BUILD UP PERSONAL EXCHANGES. HE MENTIONED WITH PLEASURE AND APPRECIATION THE VISIT OF THE VICE PRESIDENT, MAKING A GRIMACE AND REFERRING WITH A TWINKLE IN HIS EYE TO THE STEP IN THE WRONG DIRECTION OF THE VIENNA SPEECH, THE "DIFFERENTIATION." HE WENT ON TO SAY THAT IT WAS A WONDERFUL THING THAT HAVASI RECEIVED SUCH A WARM RECEPTION FROM THE VICE PRESIDENT, BUT HE INDICATED THAT EVEN THE HAVASI VISIT, WITH ALL ITS AMERICAN SUCCESS OR BECAUSE OF IT, IS NOT SOMETHING WHICH IS NATURALLY CONSIDERED POSITIVE BY EVERYONE IN HUNGARY. HE FURTHER EXPLAINED THAT, IN HIS OPINION, THERE IS STILL A VERY STRONG PART OF THE POPULATION, PARTICULARLY THE LOWER LABOR GROUPS AND THE OLDER PARTY ELEMENTS, WHO CONSIDER EVERYTHING COMING FROM THE WEST WITH GREAT SUSPICION AND ALSO LOOK AT EVERY

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MAJOR PARTY LEADER WHO INDULGES IN SUBSTANTIAL CONTACT WITH THE WEST, PARTICULARLY THE UNITED STATES, WITH THE SAME SUSPICION. IN RESPONSE TO MY REMARK THAT I REALLY HAD HOPED THAT THESE ELEMENTS OF THE GOLD WAR WERE LONG GONE, HE REPLIED THAT HISTORICALLY THEY ARE GONE BUT

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THAT PEOPLE'S BASIC IDEALS AND BELIEFS DON'T CHANGE EASILY, PARTICULARLY WHEN THEY ARE SET IN A SPECIFIC DOGMATIC PATTERN.

18. FROM THE ABOVE CONVERSATION, IT WAS EASY TO SEE WHERE HE WAS DIRECTING THE CONVERSATION--TO TALK ABOUT A POTENTIAL VISIT OF PRESIDENT REAGAN AND SECRETARY SHULTZ. BEFORE GETTING TO IT, HOWEVER, HE DETOURED AND REFERRED TO THE ERROR ABOUT THE ADELMAN/SHULTZ VISIT. HE TOOK THE POSITIVE SIDE, PRAISING AND THANKING ME, AS HE DID SEVERAL TIMES THROUGH OTHER EMISSARIES, JANOS NAGY AND HAVASI BEING THE LATEST OF THESE. HE AGAIN TOLD ME THAT HE REALLY APPRECIATED THE FACT THAT I ASSUMED THE BLAME AND EXONERATED ALL OF HIS PEOPLE, ALTHOUGH HE BELIEVES THAT AT LEAST A 50-50 SHARING OF THE BLAME WOULD HAVE BEEN MORE APPROPRIATE, PROBABLY LEANING MORE HEAVILY TOWARD THE HUNGARIAN SIDE. HIS KNOWLEDGE OF THE WHOLE AFFAIR IS AMAZINGLY COMPLETE. INDEED, HE DIVINED WHAT HAPPENED IN THE SAME WAY I DID WHEN JANOS NAGY SPRUNG THE QUESTION ON ME, "WHEN IS SHULTZ COMING? WE ARE WAITING FOR HIM." I FOUND IT REMARKABLE THAT KADAR SHOULD KNOW SO MUCH, BUT IT ALSO CONFIRMED THAT IT WAS A MAJOR PROBLEM FOR HIM. (I WAS TOLD BY OTHER SOURCES THAT THE MATTER WENT ALL THE WAY UP TO GROMYKO AND THEN THEY HAD TO GO BACK TO GROMYKO TO EXPLAIN THE ERROR.)

PART III.

19. KADAR WAS OBVIOUSLY ANXIOUS TO HEAR MORE OF THE IDEA OF A REAGAN VISIT. I TOLD HIM THAT I REALLY HADN'T THE FAINTEST IDEA WHERE IT STARTED, BUT IF I WOULD HAVE TO FIND A LOGICAL SOURCE, I MIGHT POINT TO THE VICE PRESIDENT WHO WAS OBVIOUSLY VERY IMPRESSED WITH HIS LONG CONVERSATION WITH MR. HAVASI. I HOPED TO CUT HIS SPECULATION SHORT WITH THIS AND TO PUT A POSITIVE BONUS ON THE HAVASI VISIT AT THE SAME TIME. HE SEEMED TO AGREE WITH THIS POSSIBILITY, BUT I REITERATED THAT THIS WAS STRICTLY SPECULATION ON MY PART.

HE THEN ASKED IF WE CAN SEE THIS POTENTIAL VISIT AS THEY DO, WHICH IS AS FOLLOWS: THEY COULDN'T THINK OF ANYTHING MORE IMPORTANT OR BENEFICIAL TO HUNGARY, AND HE FULLY UNDERSTANDS HOW SUCH A VISIT WOULD REALLY ELEVATE HUNGARY IN WESTERN EYES. WHERE POLAND WAS AFTER THE NIXON VISIT. BUT HE FEELS THAT IT IS JUST NOW TOOL FOR HUNGARY TO PLAY SUCH A LARGE ROLE. HE THEN WENT ON, LAUGHINGLY, TO SAY THAT HE HAD MANY VERY GREAT PEOPLE TO CONVERSE WITH AND THE GREATEST WERE ALWAYS THE ONES WHO SAID NEVER APPEAR ON THE FRONT PAGES OF A NEWSPAPER--THEN YOU CAN DO WHAT YOU REALLY WANT TO DO, SUCCESSFULLY. THE VISIT OF PRESIDENT REAGAN WOULD HAVE BEEN SPLASHED ACROSS FRONT PAGES AROUND THE WORLD AND THAT IS NOT GOOD FOR HUNGARY TODAY. I AGREED THAT IT WOULD HAVE BEEN FRONT-PAGE NEWS, BUT ONLY FOR A DAY, AND ONLY VERY FEW PEOPLE WHO HAVE REASON TO WOULD HAVE REMEMBERED IT AFTER THAT. BUT HE INDICATED THAT CERTAIN PEOPLE WHO HAVE NEGATIVE REASONS FOR DOING SO WOULD HAVE DEFINITELY REMEMBERED IT.

LIMDIS

20. THIS EXCHANGE WAS PRETTY TYPICAL OF THE RATHER INTIMATE TONE OF OUR CONVERSATION WHICH DEVELOPED ALMOST IMPERCEPTIBLY AS THE CONVERSATION WENT FORWARD. KADAR MENTIONED THAT BECAUSE OF THE DIFFICUL

TIES THE COUNTRY IS FACING IN ITS ECONOMIC EXPERIMENTATION AND DEVELOPMENT, AND THE STRONG LIBERALIZATION PROCESS IN GIVING BACK TO THE ENTERPRISES PRACTICALLY ALL MANAGERIAL POWER, AND THE CRITICISM FROM DOGMATIC CIRCLES TOWARDS IT, THEY DECIDED THREE MONTHS AGO TO KEEP THE FOREIGN POLICY EFFORTS OF HUNGARY ON A MORE MODEST SCALE THAN IN 1984. HE MADE SOME VAGUE REFERENCES TO THE GENERAL EAST-WEST TENSION BECOMING MORE MANAGEABLE, BUT ALSO GIVING TO UNDER-

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STAND THAT THE PROOF HAS TO BE THERE BEFORE IT WILL REALLY BE BELIEVE  
D.  
THIS IS THE OTHER REASON WHY THEY WANT TO PLAY IT NOW. HE INDICATED  
ALSO THAT THEY HAVE SO MANY PREVIOUS ENGAGEMENTS FOR WESTERN VISITS,  
THAT IT WOULD BE HIGHLY UNDESIRABLE TO GO BEYOND THAT FOR A GOOD PAR  
T  
OF THIS YEAR. ON THE OTHER HAND, HE INDICATED THAT MR. SHULTZ'S VISI  
T  
WAS PROMISED TO THEM AND THEY ACCEPTED IT, AND THEY DO HOPE IT WILL  
MATERIALIZE SOMETIME DURING 1985.

21. WITH A TWIST OF THE CONVERSATION, HE TALKED ABOUT HOW HIS DIS-  
CUSSION WITH SOVIET LEADERS GENERALLY WAS ON AN OVERALL POLITICAL  
LEVEL AND NEVER ON SPECIFIC WORKING OR PROFESSIONAL LEVELS. HE  
OBSVIOUSLY WANTED TO UNDERSCORE HIS VERY CLOSE CONNECTION AND FRE-  
QUENT MEETINGS WITH ANDROPOV AND, PROBABLY AS A COUNTERBALANCE, THE  
RELATIVELY LITTLE CONTACT HE HAS HAD WITH CHERNENKO. HE MENTIONED  
SEVERAL MEETINGS WITH BREZHNEV AND MENTIONED THAT DURING ANDROPOV'S  
FUNCTIONS WHICH FOLLOWED HIS AMBASSADORSHIP TO HUNGARY, HE MET  
HIM QUITE OFTEN--PRACTICALLY EVERYTIME HE WAS IN THE SOVIET UNION;  
PARTICULARLY WHEN ANDROPOV WAS HEAD OF THE KGB HE CONTINUED TO SEE  
HIM, TALKING ONLY ABOUT GENERAL POLITICS, NEVER BUSINESS. WITH  
BREZHNEV IT WAS SOMEWHAT SIMILAR. HIS CONTACTS WERE NEVER SPECIFIC.  
(TOWARDS THE END OF THE CONVERSATION, HE NOTICED THAT I LOOKED AT  
THE CLOCK AND ASKED IF I WAS LATE AND SHOULD WE END THE CONVERSATION.  
I REPLIED THAT I WAS NOT LATE AT ALL AND WAS VERY MUCH ENJOYING OUR  
TALK, BUT I WAS AFRAID THAT I HAD OVERSTAYED MY WELCOME AND WAS TAKIN  
G  
UP TOO MUCH OF HIS TIME. HE SAID THE HE WOULD BE THE JUDGE OF HIS TI  
ME  
AND HE KNEW EXACTLY HOW TO USE IT AND WAS USING IT PROPERLY NOW. THE  
CONVERSATION WENT ON FOR ANOTHER TWENTY MINUTES OR SO.)

LIMDIS

22. SOME FINAL THOUGHTS AND COMMENTS. IN THE MIDST OF SOME OF  
KADAR'S REMINISCENSES REGARDING SOME SOVIET LEADERS, HE INTERRUPTED  
HIMSELF, SAYING WITH GREAT ANIMATION THAT HE WANTED TO TELL ME HOW  
GLAD HE WAS THAT WE WERE HAVING THIS DISCUSSION. HE ASSURED ME THAT  
WHENEVER THERE WAS A GOOD REASON FOR DOING SO, WE WOULD CONTINUE IT.  
HE WANTED ME TO KNOW HOW MUCH THEY APPRECIATED MY GOOD DISPOSITION  
TOWARDS THEM AND THE FAIRNESS WITH WHICH I REPRESENT MY OWN COUNTRY.  
HE STAYED SEATED, LISTENING TO MY RESPONSE, ETC., AND, IN EFFECT,  
PRACTICALLY FORCED ME TO STAND UP FIRST. ONLY AFTER THAT DID HE  
ACCOMPANY ME ALL THE WAY OUT THROUGH THE THREE ROOMS TO THE ANTEROOM  
TO SAY GOODBYE. AS I TURNED TO LEAVE, I HEARD HIM CALLING MY NAME AN  
D  
HE ASKED ME TO COME BACK FOR A SECOND. I DID, WND HE TURNED TO ME  
AND THEN TO HIS SECRETARY, WHO WAS THERE TO ESCORT ME OUT, BUT WANTED  
TO WITHDRAW. HE SAID, "NO, YOU STAY HERE," AND THEN TURNED TO ME  
SAYING, "MR. AMBASSADOR, WE NORMALLY ISSUE A STATEMENT ABOUT SUCH A  
VISIT AS OURS AND ITS GENERAL CONTENT. WOULD YOU PREFER WE DO SO, OR  
NOT?" I COULD HEAR IN HIS VOICE THAT HE WOULD RATHER WE DIDN'T, SO I  
INDICATED THAT UNLESS HE FELT THAT THERE WAS A GOOD REASON TO ISSUE  
SUCH A STATEMENT, I WOULD BE PERFECTLY HAPPY NOT TO. HE IMMEDIATELY  
REPLIED, "FINE, THEN WE WON'T. I HOPE TO SEE YOU SOON. GOODBYE."  
THUS, THE VISIT WAS TERMINATED.  
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END OF MESSAGE

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 RUEHVI/AMEMBASSY VIENNA 1276  
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TO ASSISTANT SECRETARY BURT FROM AMBASSADOR SALGO

E.O. 12356: DECL: OADR  
TAGS: PGOV, HU  
SUBJ: MORE ON THE IMPACT OF GORBACHEV'S SELECTION

1. (C) ENTIRE TEXT.
2. SUMMARY: THE ATMOSPHERE HERE IS ONE OF MAXIMALLY CHARGED POLITICAL ANIMATION AND EXPECTATION. THE RECENT DEATH OF CHERNENKO, THE END OF GERIATRIC SOVIET LEADERSHIP, AND THE ELECTION OF GORBACHEV HAVE OBVIOUSLY HAD A PROFOUND INFLUENCE ON THE ATTITUDES OF PARTY MEMBERS. EVERYONE IS PARTICIPATING IN THE GUESSING GAME. I BELIEVE THAT THE FENCE-SITTERS ARE ALL JUMPING OFF TO THE RIGHT (KADAR) BECAUSE THEY EXPECT THE WOLVES (SOVIET IDEOLOGISTS) TO BLEAT. SINCE I EXPECT ALL OUR MAIN POLITICAL CONTACTS AND SOURCES OF INFORMATION TO GO INTO SECLUSION DURING THE PREPARATION AND DURATION OF THE PARTY CONGRESS, IT SEEMS THAT A REVIEW OF ATTITUDES HERE IS TIMELY. END OF SUMMARY.
3. JUST FOR THE RECORD, THE HUNGARIANS DID NOTICE THE SUDDEN DEPARTURE OF THE SOVIET DELEGATION FROM THE U.S. ON SUNDAY AND A SIMILAR DELEGATION'S DEPARTURE FROM YUGOSLAVIA, BOTH WITHOUT ANY EXPLANATION. NEVERTHELESS, THEY WERE GIVEN THE OFFICIAL NOTICE ONLY TEN MINUTES (1150 BUDAPEST TIME/1350 MOSCOW TIME) BEFORE RADIO MOSCOW ANNOUNCED CHERNENKO'S DEATH. IN ONLY A FEW MINUTES, WE HEARD THE FIRST HUNGARIAN JOKE ABOUT IT: "CHERNENKO'S GREATEST CONTRIBUTION TO HUNGARY'S POLITICAL LIFE WAS THE TIMING OF HIS DEATH."
4. THE EVENTS WERE ANALYZED IMMEDIATELY. THE HUNGARIAN DELEGATIONS TO THE THREE CONSECUTIVE SOVIET FUNERALS WERE IDENTICAL. THE FIRST TWO WERE MET ON THEIR ARRIVAL BY GORBACHEV AND SMIRNOV; THE THIRD DELEGATION WAS MET BY ROMANOV AND SMIRNOV. THE THREE CONDOLENCE TELEGRAMS WERE ALL QUITE DIFFERENT. (IN THE CASE OF ANDROPOV, IT

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 WAS VERY PERSONAL AND MEANINGFUL.) THE THREE CONGRATULATORY TELEGRAM

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WERE VERY WARM AND PERSONAL TO ANDROPOV, MEASURED AND POLITE TO CHERNENKO (IN BOTH CASES WITH A LOT OF PERSONAL EULOGY), AND QUITE NEW IN TONE TO GORBACHEV--IMPERSONAL, BUT WITH A LOT OF TALK ABOUT THE GREAT SOVIET NATION AND ITS FUTURE, SEEMINGLY PROPERLY REPRESENTING THE LEADING CIRCLE'S PRESENT ATTITUDE: "SO FAR, SO GOOD; LET'S SEE WHAT COMES NEXT."

5. IN THE CIRCLES OF THE BORN-AGAIN SOCIALISTS (GOOD OLD COMMUNISTS REBORN AND BAPTIZED WITH IDEAS EXTREMELY FAMILIAR TO OUR WESTERN EARS), GORBACHEV REPRESENTS THE BEST HOPE FOR THE FUTURE. THEY POINT TO THE FACT THAT HIS SPEECH SOME TWO AND HALF YEARS AGO BEFORE THE CENTRAL COMMITTEE WAS PRACTICALLY NO DIFFERENT FROM THE SPEECH HE GAVE AFTER HIS ELECTION TO GENERAL SECRETARY. THEY POINT TO THE FACT THAT HE SPENT MANY TWO-WEEK STINTS IN MOST EUROPEAN AND MANY OVERSEAS COUNTRIES, INCLUDING CANADA AND HUNGARY, AND THEY CLAIM HE ALSO TOOK AT LEAST TWO INCOGNITO TRIPS TO HUNGARY. HIS OFFICIAL HOST IN HUNGARY WAS FERENC HAVASI, WHO CONFIRMED THIS TO ME DURING OUR TRIP TO THE U.S., ALONG WITH MANY OTHER INTERESTING COMMENTS (REF. BUDAPEST 2064). THE HUNGARIANS HAVE PUT ON THEIR MOST DISCREET CLOTHING BY NOT SENDING HAVASI WITH THE DELEGATION AND REMAINING EXTREMELY NEUTRAL. PERHAPS THE UNEXPECTED DEMISE OF ANDROPOV TAUGHT THEM A LESSON.

5. THERE IS PRACTICALLY NO NEWS OR GOSSIP CIRCULATING ABOUT KADAR'S MEETING WITH GORBACHEV OR, IN GENERAL, ABOUT THE WARSAW PACT HEADS OF STATES MEETING WITH HIM.

6. CONCERNING THE UPCOMING PARTY CONGRESS, THE STRONG "I KNOW THAT" GOSSIP ABOUT MAJOR CHANGES IN THE CENTRAL COMMITTEE, POLITBURO AND TOP RANKS HAS SUDDENLY SEEMED TO VANISH. HAVING HEARD SO MANY VARIATIONS ABOUT MOSTLY THE SAME PERSONS (RISING STARS AND FALLING COMETS), I HAD BEGUN TO WONDER WHETHER OR NOT MY OWN PERCEPTION AND JUDGMENT WAS CORRECT. NOW, WITH THE VANISHING CHORUSES, I FEEL SOMEWHAT MORE SECURE IN REITERATING MY EXPECTATIONS--KADAR IS THE FIRST AND ONLY, EVEN IF THERE ARE COSMETIC CHANGES IN HIS TITLE OR ASSIGNMENT; THERE WILL BE MINIMAL CHANGES IN THE FIRST RANKS; A FEW OLD-TIMERS WILL PHASE OUT BY LOSING ONE OR THE OTHER OF A MULTIPLE TITLE OR JOB; AND QUITE A FEW YOUNG TURKS AND TECHNOCRATS WILL GET A FOOT IN THE DOOR, SOME BOTH FEET.

TO ASSISTANT SECRETARY BURT FROM AMBASSADOR SALGO

7. I REPEAT, THESE ARE MY IDEAS BASED ON MY OWN OPINION POLL AND STRONGLY INFLUENCED BY MY PERSONAL KNOWLEDGE OF THE ACTORS INVOLVED.

8. COMMENT: QUI VIVRA VERA. MORE ABOUT IT ON APRIL 2 (HOPEFULLY I WILL REMAIN CREDIBLE AFTER APRIL FOOLS' DAY).

SALGO

END OF MESSAGE

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