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INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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- The first fact noted is not pleasant: 80 percent of the recently arrived refugees are not freedom fighters as such, but emigrants. They are not the politically persecuted or the fighters; they did not have to leave their homeland for any reason of personal danger. When the refugees speak sincerely most admit that neither fear nor vengeance forced them to flee. They left, they say, because of misery, economic oppression and hopelessness, especially noted in the younger refugees who faced a completely uncertain future. They do not deny that they wish to remain in the United States; they would not be willing to return to a nation which adopts national communism (such as Titoism) as a form of government. They would consider this a "half free" homeland. However, if a status of neutrality is somehow acquired by Hungary in the future on the Austrian model, a large proportion of the refugees would consider going home. This is particularly true in the next two years while the language difficulties and the consequently more difficult job situation personally affects virtually all refugees.
- It is of interest to note the large number of engineers who have come to the United States in the recent airlifts. According to one well informed Hungarian engineer, Hungary had about 10,000 engineers; of this number he believes that about 3000 left their homeland. This same informant complains that the Communist regime saw to it that the engineers had a low standard of living. The starting salary was from 1600 to 1700 forint (at the official rate about \$140.00 but the buying power was equal to \$50.00). All engineers knew the salary rates in the United States and in the West and naturally enough they longed to go Westward.
- The next highest profession to leave their homeland seem to be physicians. These come from the Transdanubian area and the border area near Austria. Some doctors have stated that 80 percent of the physicians in the area from Budapest to the Austria border have fled the country.

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4. The October 1956 Hungarian Revolution occurred only in Budapest, Pecs, Miskolc and in some of the small towns. While it is certainly true that the entire nation was solidly behind the young revolutionists, real fighting took place only in the above mentioned cities. The revolt was in the hands of the youth exclusively; only they had weapons. Any number of Soviet soldiers paid with their lives when they drove blindly into a Budapest street with their tank and were suddenly hit with a Molotov cocktail. When another tank came to the rescue, the rebels would often place a Hungarian flag or a white flag of surrender on the turret. These tanks in turn would be fired on by other Soviet tanks.
5. At 4:20 AM on 4 November 1956, the Soviets re-entered the sleeping Budapest with the tank attack which caused so many deaths; in Budapest they fired indiscriminately at homes and people at point blank range whether there was resistance or not. In Debrecen, one of Hungary's largest cities, not a single shot was fired against the Soviets although Hungarian soldiers died by the hundreds when the Soviets suddenly opened fire on the barracks, the city hall, and the post office at dawn.
6. In Budapest there were no communications between the various points of resistance. There was no semblance of a unified command. Those rebel forces which were not surrounded continuously fluctuated in numbers; those rebels who got tired or had enough of the fighting for the time being, went home to sleep and eat. When the time came for them to rejoin their "unit", more than likely this no longer existed or had been surrounded by the Soviets. Inasmuch as they could not reach their unit they usually became lone fighters and managed to pick up a gun from another person who was going home to rest. Thus far, reports show continuous fighting only in the Kilian barracks and the Corvin movie areas of Budapest. Here there were large numbers of rebels holding out with the most effective weapon they had: the Molotov cocktail. In some cases there were some pyrotechnics used against the tanks. These were home made "bombs" but the refugees have not been able to describe how these were made. There were a few cannons in use at the Corvin and Kilian areas and in other areas of Budapest there were smaller anti-tank weapons. From time to time, especially in the first phase of the revolt, both Hungarian Army and Soviet tanks were captured by the Hungarians or surrendered voluntarily. These of course were used against the enemy tanks, but they did not last long since they became the prime Soviet target.
7. In this connection it is interesting to note the statements of AC of the fraternization between certain Hungarian citizens and some Soviet tank crews. On 24 October he walked from the Kilian area toward the Hungarian Museum district and observed four Soviet tanks in the possession of young Hungarian rebels. He asked them where they obtained the tanks; they stated that they exchanged civilian clothing and food items for the tanks. The Hungarian Army tank crews did this too, he said. He tells
8. The consensus of opinion among the Hungarian refugees is that the Soviets were cowards. Those who fought stated that the Soviet supply and maintenance systems were poor in the sense that their personal supplies were low grade. They state that the Soviets needed much and that their "bread was as black as the earth".
9. Despite this it is accepted by the rebels that the Soviets could have choked the Hungarian revolt in a blood bath at any moment the Soviet

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commanders had desired. In Budapest there were large numbers (some say over a thousand) of tanks parked but ready for action. These were never used. They could easily have destroyed the Kilian and Corvin areas in a matter of hours. The question arises as to why they did not. The rebels express it this way: Perhaps because of the fear of consequences for murdering an unarmed nation; perhaps for tactical reasons in order to keep the entire Hungarian army forces from being turned against them.

10. There is no doubt that the AVH was weak and that the defection of the Hungarian Army took the Soviets by surprise. This upset Soviet plans and schedules and caused tremendous confusion. The Hungarian Army did not join the revolt and even single Hungarian army units took no part. Indeed, even at the Kilian barracks there were no real military units. Some informants state that a large portion of the rebels at the barracks were peasant boys drafted in the labor battalions and given uniforms to replace their labor battalion clothing. They were being brought to Budapest under light AVH guard; they killed the leader when the revolt broke out and went en masse to the Kilian barracks where they fought until 10 November. A large portion of the 1000 boys were killed and a small number escaped. The people in the IX District fed and sheltered many of these boys.
11. It is necessary, however, to also point out that hundreds and hundreds of soldiers in the Hungarian Army simply demobilized themselves, dressed in civilian clothing, and fought with the rebels as individuals. There were many military commanders who stated publicly that they "joined" the revolution, but actually there was so much confusion by the time these proclamations were made that they did not realize just who they were joining. It must be remembered that the youths, the politically exiled, the workers and others organized and issued demands. The situation became more confused when the Kadar regime also started the "peasants and workers" revolt. There was ample opportunity for the military commanders to choose any group when they announced they were "joining the revolt".
12. The rebels state that generally only the captains and lower ranks were sincere; they openly took their stand beside the Hungarian people and the 16 demands of the revolutionary youth. Those among the staff officers who defected were described as opportunists generally; this was proved they say when on 4 November they declared their allegiance to the Kadar government. While the military did not fight as a unit; innumerable soldiers fought and gave guns to the youth and instructed them in their use. Furthermore, when the Soviets saw that the Hungarian Army could not be trusted, they tried to get the Army to lay down its arms and go home. They did this by means of the regime radio and even the Nagy Government earlier asked them to stop fighting. The defections became epidemic in the army. The most fanatic Communist political officers joined the rebels; some AVH members came over too. Some rebels stated this maneuver was, in their opinion, nothing but good Party teaching. Lenin stated that when disaster strikes the best tactic is to defect en masse, join and infiltrate the ranks of the enemy and thus weaken him for the counter-blow.
13. In the same manner as the Army remained aloof from the revolt, Hungarian political life remained undecided. Individuals of course took part, but the youth did the fighting alone and on a non-political basis. Although political parties took no part in the fight, politics surged anew when the revolt broke out; the old political parties were reborn on the basis of the 1945 coalition government. In 1948 and in May 1949 when the Communist Party and the Social Democrats formed the Hungarian Workers Party, the real leaders abandoned their political activity and only the fellow travellers remained active. At dawn of the revolt those leaders who were deposed when

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Prime-Minister Ferenc Nagy was forced to abdicate, came back to the reconstituted parties. Inasmuch as these people were in the second and third echelons of the party, since the real leaders were exiled or compromised, they sought to get power in the reborn parties. These men were new at the game and were very cautious in disclaiming the old fellow-travellers. Thus Zoltan Tildy the traitor and Bela Kovacs the martyr found a place in the new Smallholders Party together. The Peasant Party's Ferenc Farkas became the Secretary but the fellow-traveller Peter Veres became the provisional president. The political leadership took no real root in the masses; instead of elections based on the votes of millions, the leadership was selected by only a few hundred politicians. Most rebels state they hold these new political groups in Hungary as false.

14. A new popular political strength grew up in Hungary with the revolt. The various workers councils, revolutionary committees, students councils, et cetera took upon themselves the various tasks of administration and the functions of politics. It is interesting that the organization took place outside the political parties of older days. The new revolutionary groups adopted the Imre Nagy demands as their demands (neutrality, free elections, withdrawal of Soviet troops) and attempted to unite the nation behind this platform. It seems clear that if the revolt had been successful there would have been a clash between the old political party system and the new revolutionary groups. Perhaps actual fighting would have occurred although nothing so drastic as a civil war would have resulted because of the aloofness of the army in the matter.
15. These revolutionary groups were as democratic as the occasion allowed. They "elected" various candidates by popular voice vote usually in front of the local city hall. This was more democratic, at least, than the Parliamentary election. There was no real power in the revolutionary groups, of course. In Budapest a National Revolutionary Council was established and this declared itself the national council for the entire nation. It was this council to which General Pal Maleter, General Bela Kiraly, Jozsef Dudas and Szabo Bacsi (a pseudonym) belonged; it was from this Council which Maleter got his Defense portfolio.
16. The workers councils added only to the confusion when they started their organizing. Thousands of independent workers councils sprang up. They soon saw a need for unity and a national central committee was established in Budapest. The councils were not at first political movements. They organized to replace the Communist leaders with more suitable persons (usually not Communists) and to protect their machines, attend to work discipline and to keep the goods in production. When the Kadar government refused to recognize their avowed rights, their differences caused an ever-widening split and they became a political group. The Social Democratic party will one day find itself in dire straits with these workers councils who have now literally usurped the prerogatives in this political trade unionist field. In the future the government of Hungary, whatever its composition, will have to come to an agreement with the workers councils. The Kadar government, despite its title of Socialist Workers Party can claim less than one percent of the workers of Hungary. The rebels state that the workers councils will be the political core from which any political life inside Hungary can start.
17. The economic consequences of the revolt cannot be fully determined. But it is obvious that not only has the lack of production ruined Hungary but this same lack of production has seriously hindered and upset the Soviet Bloc economic plans. Hungary had a principal role among the Satellites in the Soviet Bloc Five Year plan. Coal, iron ore and raw materials of many kinds were destined for Hungary as barter for finished textiles, aluminum products, bauxite, vehicles, ships and pharmaceuticals. The entire Soviet Bloc has

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become a hodgepodge of economic exchanges of goods, raw materials and financial negotiations. Exports from Hungary to Egypt and South America will probably have to be made up by other satellite nations. Consequently, such a maze of foreign trade relations had been built up in which Hungary had an integral part, that the entire Soviet Bloc has seriously been affected by the Hungarian "defection".

18. Domestic manufacturing has sunk to zero. The lack of coal has been acute for months, and the fact that 90% of the energy for Hungarian factories came from coal is well-known. The Hungarian miners, furthermore, are unwilling to work and the lack of coal makes the factories idle. But this loss of manufactured goods is even a greater detriment to the Soviet Bloc than to the Hungarians themselves. Ever since Matyas Rakosi had been in power the accent had been on heavy industry and no consumer goods except bare necessities. The Hungarians can exist for another two years or so without consumer goods in large supply, but the Soviets will be hard put to replace the loss of the Hungarian heavy industry production.
  19. Hungary is still 42% agricultural. The October Revolution, according to the rebels, has not really affected the Hungarian farmer, except for the cooperatives system. When the revolt broke out, most cooperatives suffered when the members walked out. The State farms (about 13 %) suffered from a lack of manpower. The collectives remained in some places because they were formed of farmers who had no land or animals or equipment to bring into the cooperatives in the first place. They had no other place to go as had some cooperative members who withdrew with their possessions. In Hungary, 60% of the farms are owned by individuals. They had planted their fall crops. Those in the collectives planted only what was required by the state.
  20. If there is political agreement by Spring in Hungary the farmers will work their crops; if not, then sabotage can and will be the order of the day. The result can be either starvation or the government will be forced to import large amounts of food. The opinion is that there will be no starvation before May 1957 or even a threat of famine. The rebels state that only half of the agricultural produce was turned in to the state in October; thus the farmers are in a better position than ever before. Meat and lard are also in good supply mainly because the government had difficulties in shipping these items abroad (usually Eastward) during the revolt.
  21. The Hungarian farmer is not expected to produce under Soviet domination; the effect of this will be felt only next spring and summer.
- The rebels touch on the complicated issue of Hungarian politics in the emigration too. They state they are concerned over this from two points of view:
- a. That the national production potential cannot be replaced for years to come;
  - b. The present exodus can take up so much of the world's sympathy that any new revolt on the part of the Hungarians or any other enslaved people, will not meet with the same response in the West.

This loss of manpower is doubly serious for the homeland, they feel. The people of Hungary paid for the education of the youth in the higher grades and not the individual family. Each student, who needed help, got 500 forint per month, free lodging and cheap board and no tuition. The loss to the nation in replacement, time and money is obvious.

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22. The boundless generosity of the West to the Hungarian escapee is a topic the rebels discuss. They feel that the hospitality can be thanked for the courage of the nation. While the large mass of escapees did not fight and the peasants and older intellectuals took no active part, they recognize that the entire nation was in danger. No one knew or knows what the Soviets plan and the indecision was enough to force those who wavered into seeking refuge abroad. The refugees generally admit it was not fear but the misery and the great uncertainty of the future which forced them to flee.
23. Another serious topic the rebels talk about is the deportation story. With the exception of one informant [not one could give an eye witness account of deportations or any part of deportations. While it is certainly true as Anna Kethly said publically, that she knew about leaflets thrown from cars carrying deported persons, she is not able to tell how many persons threw these from the railroad cars. When the press speaks of from 30,000 to 40,000 people being deported in the first two weeks, the rebels find this impossible to believe. They feel that the Soviets were too busy during that period using the railroads for other uses. The fact that tens of thousands live along these railroad lines, and not one has witnessed or can give factual data tends to support this doubt. They feel the truth is probably that there were a few trains that actually took deportees to the USSR, but on the quick realization on the part of the Soviets that this was stupid and foolhardy, the deportation was stopped. A

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