

**SECRET**

**19/GS/GP**

# **Hungary**

**March 1973**

**NATIONAL INTELLIGENCE SURVEY**

**SECRET**

***NO FOREIGN DISSEM***

## NATIONAL INTELLIGENCE SURVEY PUBLICATIONS

The basic unit of the NIS is the *General Survey*, which is now published in a bound-by-chapter format so that topics of greater perishability can be updated on an individual basis. These chapters—Country Profile, The Society, Government and Politics, The Economy, Military Geography, Transportation and Telecommunications, Armed Forces, Science, and Intelligence and Security, provide the primary NIS coverage. Some chapters, particularly Science and Intelligence and Security, that are not pertinent to all countries, are produced selectively. For small countries requiring only minimal NIS treatment, the *General Survey* coverage may be bound into one volume.

Supplementing the *General Survey* is the *NIS Basic Intelligence Factbook*, a ready reference publication that semiannually updates key statistical data found in the Survey. An unclassified edition of the factbook omits some details on the economy, the defense forces, and the intelligence and security organizations.

Although detailed sections on many topics were part of the NIS Program, production of these sections has been phased out. Those previously produced will continue to be available as long as the major portion of the study is considered valid.

A quarterly listing of all active NIS units is published in the *Inventory of Available NIS Publications*, which is also bound into the concurrent classified Factbook. The Inventory lists all NIS units by area name and number and includes classification and date of issue; it thus facilitates the ordering of NIS units as well as their filing, cataloging, and utilization.

Initial dissemination, additional copies of NIS units, or separate chapters of the *General Surveys* can be obtained directly or through liaison channels from the Central Intelligence Agency.

The *General Survey* is prepared for the NIS by the Central Intelligence Agency and the Defense Intelligence Agency under the general direction of the NIS Committee. It is coordinated, edited, published, and disseminated by the Central Intelligence Agency.

### WARNING

This document contains information affecting the national defense of the United States, within the meaning of title 18, sections 793 and 794 of the US. code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law.

CLASSIFIED BY 019641. EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF E. O. 11652 EXEMPTION CATEGORIES 5B (1), (2), (3). DECLASSIFIED ONLY ON APPROVAL OF THE DIRECTOR OF CENTRAL INTELLIGENCE.

## WARNING

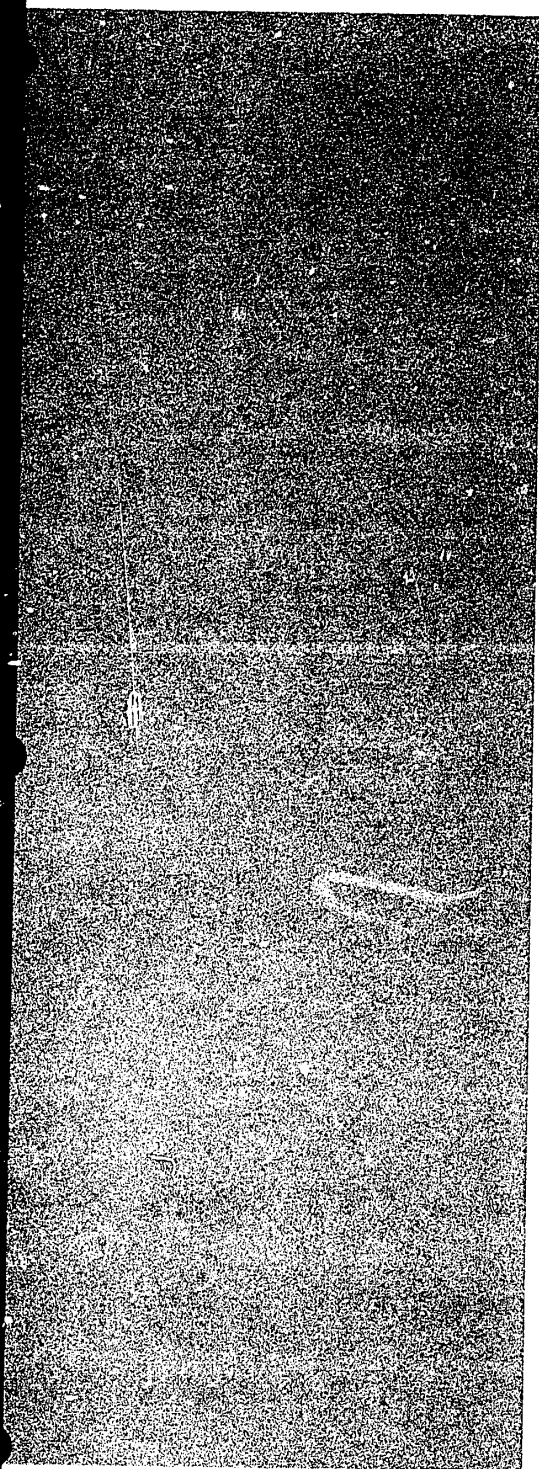
The NIS is National Intelligence and may not be released or shown to representatives of any foreign government or international body except by specific authorization of the Director of Central Intelligence in accordance with the provisions of National Security Council Intelligence Directive No. 1.

For NIS containing unclassified material, however, the portions so marked may be made available for official purposes to foreign nationals and nongovernment personnel provided no attribution is made to National Intelligence or the National Intelligence Survey.

Subsections and graphics are individually classified according to content. Classification/control designations are:

- (U/OU) . . . Unclassified/For Official Use Only
- (C) . . . . . Confidential
- (S) . . . . . Secret

*This chapter was prepared for the NIS by the Central Intelligence Agency. Research was substantially completed by October 1972.*



# HUNGARY

## CONTENTS

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

<b>A. Introduction</b> .....	1
Communist domination since 1947; 1956 revolt as point of departure for gradual reformism; Soviet confidence, improved living standards, domestic tranquillity, but unappeased nationalism; Hungary's inferior power position, modest economic resources, history of military defeats; Soviet restrictions on international initiatives, relative freedom to move toward "humane communism."	
1. The beginnings of modern Hungary ...	2
Post-World War I collapse of feudal monarchy, failure of Social Democrat and Communist republics, regency of Admiral Horthy, Nazi German sponsorship, liberation by Soviet Red Army.	
2. The Communist era: the early years ...	4
Communist party and Rakosi ascendance under Soviet control, Imre Nagy's New Course in 1953, anti-Stalinist fervor and 1956 revolt. Soviet interference and restoration of conventional party control.	

SECRET

NO FOREIGN DISSEM

	<i>Page</i>		<i>Page</i>
3. The Kadar regime: "Goulash communism" at work	5	1. Communist party	17
Reorganization of Communist party, initiation of low-key reformism, restoration of international image; New Economic Mechanism; Kadar's success in maintaining domestic stability while loyally supporting U.S.S.R. foreign policy directives.		a. Organization and structure	17
<b>B. Structure and functioning of the government</b>	<b>6</b>	Democratic centralism with power theoretically derived from lower organs and people but in practice localized in top leadership; layers from central apparatus in Budapest to cells at local level parallel to political territorial subdivisions; Party Congress, party conference, urban party organizations, general membership meeting for cell.	
1. Constitution	6	(1) Party Congress	17
1949 Constitution on Soviet pattern, absence of limitations on state power; Kadar's efforts to adopt a new constitution.		Highest organ of HSWP; chronology of sessions; statutory functions.	
2. Structure of government	7	(2) Central Committee	18
All-powerful character of extragovernmental Communist party, government as principal avenue of party control.		Responsibility for party affairs between Party Congresses; representative of party in relations with other parties, mass organizations, and state administration; operations and composition; Politburo as controlling sub-organ.	
a. Parliament	8	(3) Politburo	18
Unicameral rubberstamp of party policies; theoretical powers; 4-year term of members; gradual growth in interpellative action.		Locus of power in HSWP—dominant political leaders as members; responsibility and control of all party and government affairs.	
b. Presidential Council	9	(4) Secretariat	20
Collective presidency elected from among members of Parliament; formal administrative body to conduct day-to-day mechanics of government.		Second most important party executive agency; functions and composition.	
c. Council of Ministers	9	(5) Committees	20
Executive organ of government subject to members of party Secretariat and Political Committee; echnocratic character.		Central Control Committee, National Economy Committee, Agitation and Propaganda Committee; five "working collectives."	
3. Local government	12	(6) County, district, and lower levels	20
Councils at three levels—19 counties and five cities with county status, 97 districts, 1,184 villages and 643 groups of villages; functions and composition.		b. Membership	21
4. Legal system	13	Numbers and social makeup; membership policies of party leadership; growth patterns.	
a. Legal codes	13	c. The decisionmaking process	21
Traditional law similar to common law; Communist efforts to codify civil and criminal law on Soviet model, emphasis on crimes against the state; powers of courts; multitude of investigative agencies.		Unquestioned party primacy in determining national policies; utilization of expert advice if Soviet interests or internal party interests do not predominate.	
b. Courts	15	(1) Procedure	21
Court system as tool by which Communists retain power; subordination to Ministry of Justice; Supreme Court, county and district courts, juvenile courts, special courts; composition and jurisdiction.		Role of Politburo, Secretariat, Central Committee departments, nonvoting experts; binding character of Politburo actions.	
c. Central People's Control Committee	16	(2) Important external influences	22
Watchdog over economic activity; investigative authority complemented by punitive power since 1964; People's Supervisors.		"Socialist internationalism"—the necessity for Hungary to gauge its actions to what other Warsaw Pact nations will accept; political limitations imposed by the U.S.S.R.	
<b>C. Political dynamics</b>	<b>16</b>		
Hungarian Socialist Workers Party (HSWP) as controlling force in national political life; Kadar's balancing dependence on Soviet Union against careful attention to rapport with people.			

	<i>Page</i>		<i>Page</i>
(3) Important domestic factors	23	b. The worker-peasant alliance	30
Popular attitudes; industrial and agricultural workers, youth, technocracy, intellectuals; respected pre-Communist leaders.		Rakosi's pre-1950 bias favoring industrial worker over peasant; Kadar's successful collectivization of agriculture and efforts to equalize peasant status with that of industrial proletariat.	
2. Mass organizations	23	c. Safeguarding improvements in the standard of living	31
Buffers between party and population; character, missions, party control.		Past neglect of consumer interest, Kadar's recognition of need for consumer satisfaction; New Economic Mechanism in 1968, problems.	
a. Patriotic People's Front	24	d. Expanding socialist democracy	32
Extension of party; vehicle to mobilize support for party's program and to disseminate propaganda.		Consistent direction despite caution, lack of clarity, and slow pace; credibility as greatest danger.	
b. Communist Youth League	24	2. Foreign	33
Purpose of extending party influence among youth; general ineffectiveness.		Ties with U.S.S.R., benefits and restrictions; sycophant repetition of Soviet pronouncements from 1947 to 1956, efforts to reestablish international credentials from 1956 to 1963, endorsement of Soviet position in Communist world since 1965, efforts to expand non-Communist relations; support for Soviet stand on European security; unsettling impact of 1968 Soviet invasion of Czechoslovakia; good relations with Austria and Yugoslavia, problems with Romania; support for world Communist goals, involvement in CEMA and consequences of New Economic Mechanism; generally good relations with Western Europe; provocative and strained relations with the United States from 1945 to 1963, moderation and improvement since 1963; membership in United Nations and other international organizations.	
c. National Trade Unions Council	25	3. National defense	38
Politburo-supervised organ to control all trade unions; mandatory membership of all industrial, government, and some service employees; function of assuring increased labor output and productivity; Labor Code of 1957 and increased trade union authority in representing workers' interests as well as in overseeing management.		Orientation toward Soviet and East European defense needs, Politburo control, coordination with Soviet advisers; budget and strength trends; dependence on the U.S.S.R. for military protection; Soviet troops in Hungary; morale problems in armed forces.	
d. Other major mass organizations	26	4. Civil defense	39
National Council of Hungarian Women, National Peace Council, National Federation of Sports Associations, Hungarian Red Cross.		Task of protecting population from weapons of mass destruction or during civil emergencies or natural disasters; training emphasis on evacuation, medical support, subsistence, and communications.	
3. Electoral procedures	26	E. Threats to government stability	40
Communist failure in 1945 election—the only free and democratic election in Hungarian history; suppression of opposition candidates and parties and Communist domination of candidate selection and election process through Independent People's Front and the succeeding Patriotic People's Front; liberalization of nominating and voting procedures in 1967 and 1970.		1. Discontent and dissidence	40
D. National policies	28	Minor proportions, safety valves; weaknesses containing potential for instability; necessity to continue to improve standard of living, Kadar's uncertain health, concentration of wealth and privilege in hands of party elite, nationalism and irredentism; general lessening of hostility toward party.	
Basic goals: maintaining Communist rule, sustaining regime in power, preserving domestic stability, maintaining good relations with the U.S.S.R.; need for cautious, piecemeal innovations toward more popular form of communism; necessity to contain international initiatives within framework of Soviet policy.			
1. Domestic	28		
Kadar's successful program of gradual domestic reform.			
a. National reconciliation	29		
Official tolerance of private non-Communist views if holders are not openly hostile; failure to accommodate Magyar nationalism.			

	<i>Page</i>		<i>Page</i>
2. Subversion .....	41	2. Other security elements .....	48
No known subversive groups; general recognition of Soviet determination to crush all challenges to its authority in East Europe.		a. Workers Militia .....	48
<b>F. Maintenance of internal security</b> .....	<b>42</b>	b. Industrial Guard Force .....	48
Firm party control over complex organization; primary mission of enforcing conformity to dictates of party; significant role of secret police in political maneuvering; structural organization of intelligence and police system.		c. Penal system .....	48
1. Ministry of Interior .....	43	3. Intelligence .....	48
Control by Kadar supporter; development and functions of:		a. Nonmilitary intelligence .....	48
a. III Main Group Directorate (AVH).		Responsibility of AVH.	
b. II Main Group Directorate.		b. Military intelligence .....	49
c. Frontier Guard.		Second Group Command of the General Staff of the Ministry of Defense (VKF-II).	
d. Internal Security Troops.		4. Countersubversive and counterinsurgency measures and capabilities .....	50
		Failure of security apparatus in 1956 revolt; unknown reliability of regular security organs.	
		<b>G. Selected bibliography</b> .....	<b>50</b>
		<b>Chronology</b> .....	<b>52</b>
		<b>Glossary</b> .....	<b>56</b>

FIGURES

	<i>Page</i>		<i>Page</i>
Fig. 1 Changes in Hungary's international boundary ( <i>map</i> ) .....	3	Fig. 6 Political controls ( <i>chart</i> ) .....	10
Fig. 2 Matyas Rakosi and Imre Nagy ( <i>photos</i> ) .....	4	Fig. 7 Administrative subdivisions ( <i>map</i> ) ..	12
Fig. 3 Soviet tanks patrolling Budapest ( <i>photo</i> ) .....	5	Fig. 8 Politburo members ( <i>chart</i> ) .....	19
Fig. 4 Interrelationship of top party and government posts ( <i>chart</i> ) .....	8	Fig. 9 Results of Hungarian elections ( <i>table</i> )	27
Fig. 5 Parliament in session ( <i>photo</i> ) .....	8	Fig. 10 Schedule of domestic reforms ( <i>table</i> )	29
		Fig. 11 Modern apartment buildings ( <i>photo</i> )	32
		Fig. 12 Andras Benkei ( <i>photo</i> ) .....	43
		Fig. 13 Police and security services organization ( <i>chart</i> ) .....	44



# Government and Politics

## A. Introduction (S)

Under Communist domination since 1947, Hungary's political development has mirrored, and in some ways helped to shape, the development of relations between dominant Soviet political and economic power in Eastern Europe and the indigenous regimes of the area. The trauma of the 1956 Hungarian revolt, an explosion of long-repressed popular fury against Stalinist practices, served as the point of departure for the gradual, pragmatic reformism of Hungarian party leader Janos Kadar. Kadar's approach, which is closely studied by other Eastern European reformers, has gained Soviet confidence, improved living standards, and maintained domestic tranquility, but it has not fully tamped down the potentially dangerous nationalism of the Hungarian people.

Small, landlocked, and astride one of the main European invasion routes, Hungary since the 16th century has been almost continuously subjugated by major foreign powers. Patterns of domestic rule have been largely shaped by this factor and, indeed, the major traditional task for Budapest leaders has been to arrange acceptable accommodations with dominant foreign powers. The severe limitations of Hungary's endemically inferior power position have precluded the achievement of lasting national autonomy, and the best compromise that the Hungarians historically have been able to attain is domestic self-rule under the strong political and economic influence of one or another major ally. Such close foreign ties have also been the Hungarians' undoing; in World War I, as a nominally equal partner in the Austro-Hungarian Empire, Hungary shared the defeat and disintegration of the Habsburg monarchy. When the resulting political chaos impelled the Magyars into World War II on the side of the Axis, a second defeat led directly to subjugation by Moscow.

Hungary's subordinate relationship to dominant foreign powers historically has combined with deep social breaches within the Magyar nation to frustrate the growth of democratic political institutions. Ruling elites, whether sanctified by royal charter or Marxist

dialectics, have maintained their power and privileges mainly on the strength of their relationship to the dominant foreign power. They have not, however, been able to rule with complete impunity. Populist-nationalists, professing to interpret the national will, have always been willing to conspire against those rulers who proved to be tyrannical, ineffective, or too responsive to foreign dictates.

Hungary's very modest economic resources also have posed limitations on its independence. Almost bereft of the raw materials needed by its industry, the nation now draws heavily on the massive resource base of the Soviet Union and, as under the Habsburgs, depends on exports of agricultural products to provide the economic basis for its future industrial development. Moreover, Hungary's economic ties to Moscow are so comprehensive that even minor shifts in Soviet trade policy could cause serious shocks to the Hungarian economy.

The Hungarian experience with military conflicts has been nothing short of disastrous. Hungary's defeat in every major war it has engaged in as an independent or semi-independent state in the last two centuries has imbued the nation with suspicion and cynicism toward such adventures. The peasant aphorism "when elephants fight, only the grass gets hurt" accurately reflects the popular Hungarian attitude toward military solutions. The pre-1956 Communist regime ignored this basic attitude in its zeal to fulfill defense tasks assigned by Moscow. Under Kadar, such ambitious and economically exhausting military spending has been discontinued and the leadership has publicly professed its conviction that the nation can hope to thrive only under a long period of peace in Europe.

Budapest is thus vitally interested in the movement toward European detente and disarmament, but its close adherence to Soviet guidelines restricts it from playing any significant independent role. The Hungarians have settled on a less daring course, using the prospects of East-West detente as a reason for expanding political and, more important, economic relations with Western Europe. There remain, however, Soviet restrictions on these initiatives, and

Hungarian relations with the major capitalist powers—the United States, the United Kingdom, and West Germany—are hindered by Moscow's stance in foreign policy and economic priorities.

Although the international arena is generally closed to unilateral Hungarian initiative, the Hungarians have been allowed freer rein internally. The Kadar regime has tapped some of the best minds available in an effort to devise means of working out a more effective and humane style of communism within the limits imposed by Moscow. Budapest's goal is the modernization and perfection of standard Communist methodology into a workable system satisfying real national needs. Economic reforms have already been successfully introduced, and the line in the sensitive area of political reform—where Soviet interests must be carefully weighed—has been breached. Kadar proceeds gradually and pragmatically, and progress is often retarded by overriding political factors. The viability of this kind of controlled, paternalistic reform is nevertheless still unproved, since it has never before succeeded in the Soviet orbit. Over the next decade, the nerve, political acumen, and inventiveness of the Hungarian leadership and people will be sorely tested as they attempt to match their desires to the real possibilities of their geopolitical position.

### 1. The beginnings of modern Hungary

Hungary's defeat in World War I produced a precipitous collapse of the nation's essentially feudal structure, and initiated a quarter of a century of political chaos. The collapse of the monarchy in 1917 was followed by the so-called Aster Revolution, which brought a reformist Social Democrat regime under Count Mihaly Karoly into power. The new government was plagued by economic and social disruptions caused by the war and by discord over needed reforms. Meddling by foreign powers and by royalist plotters further weakened Karoly's government, but its ultimate collapse was due to its failure to create a workable land reform that would have unified the peasantry behind it. With the collapse of Karoly's government, the Hungarian Communist Party—4 months old at the time but buoyed up by the successes of the Soviet revolution in Russia—seized power, under the leadership of Bela Kun, in a coup on 21 March 1919.

Kun, who had only shortly before returned from Leningrad, initiated an unwise imitation of Lenin's policies without regard for local problems. Kun's nationalization of large landholdings angered the peasantry who instead wanted the estates parceled out to them. Similarly, the rising urban bourgeoisie was

outraged by the nationalization of private businesses. Economic chaos ensued, and by the end of July 1919 the Republic of Councils was overthrown by French and Romanian troops while Hungary's regular army, angered by Kun's policies, stood aside.

Bela Kun's Republic of Councils was followed by a succession of weak governments. Their effectiveness was further eroded by extragovernmental conservative forces which directed nationwide roundups of Communist and liberal sympathizers, and generally suppressed even the milder aspects of Karoly's reforms. Land was returned to the wealthy landowners and determined steps were taken to restore privileges to the upper classes.

During this period Hungary suffered the most significant and lasting of its post-World War I humiliations. As a result of the Trianon settlement (1920) Hungary was forced to accept the loss of 70% of its prewar territory and 60% of its population. Figure 1 shows changes in Hungary's boundaries from 1914 to 1972. The loss changed Hungary from a multinational state ruled by Magyars to an island of Magyars surrounded by newly independent countries in which significant Hungarian ethnic minorities were isolated and, in some cases, treated with hostility. The Trianon settlement was to become the major political issue for the next 20 years in Hungary. Revision of the treaty became a national mania which both fueled and cloaked the policies of successive conservative regimes under the regency of Fascist-leaning Adm. Miklos Horthy (1920-44). Impelled by a rise of indigenous fascism that predated even Hitler's rise to power, a campaign for the revision of the Trianon settlement by military force drove the Hungarians directly into the Axis camp at the beginning of World War II.

The wartime government in Hungary, sponsored by Germany and gambling on an Axis victory, annexed portions of Hungary's pre-World War I territory from its neighbors. The price for this miscalculation was high. When World War II ended, the interwar boundaries were restored, and even Hungary's legitimate grievances were, perhaps permanently, swept aside. Hungary, once again on the losing side of a major European conflict, had also sullied its international reputation by participating freely during the last months of the Nazi "final solution" to the Jewish question and in other racist-nationalist aberrations under a Fascist government which had replaced Horthy's independent and less-tainted government. Moreover, Hungary had the misfortune to be "liberated" by the Soviet Red Army, and, for the first time in its history, fell under the domination of its traditional enemy, Russia.

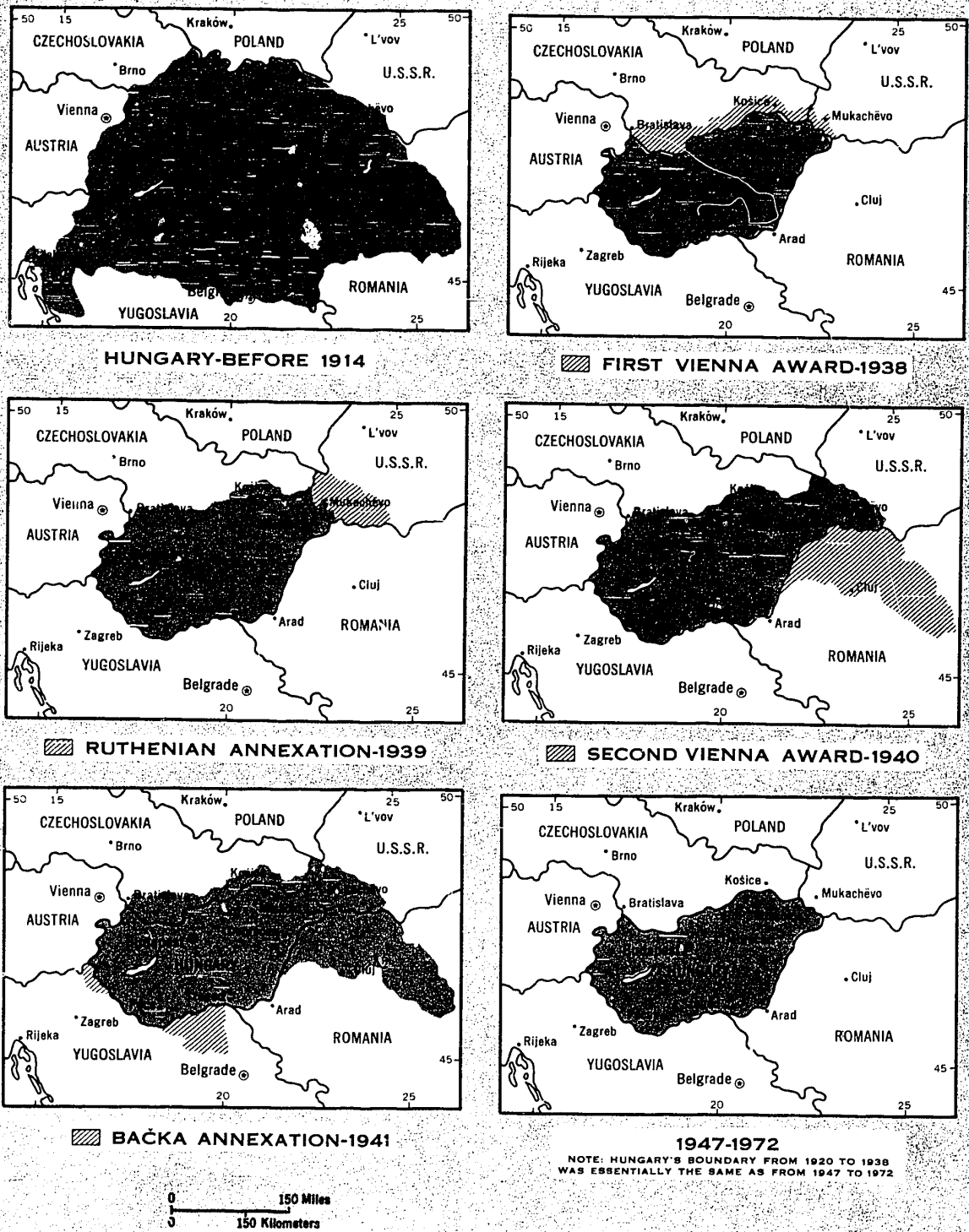


FIGURE 1. Changes in Hungary's international boundary (U/OU)

## 2. The Communist era: the early years

The establishment of Communist rule in Hungary was characterized by an array of political mistakes perpetrated by the party leaders. Largely the products of the Soviet-controlled Comintern, these leaders attained power by treacherous methods to which they later pointed with pride. Relying largely on the Soviet Red Army and on the Soviet secret police, the party under Matyas Rakosi (Figure 2) immediately began a forced restructuring of Hungarian political, economic, and social institutions along Soviet lines. Religion, private landownership, and traditional cultural ties with the West were subjected to unrelenting pressure by the secret police. Sycophantic praise of the Soviets became the order of the day, aggravating further the party's mindless disregard of traditional Magyar national pride. Other serious mistakes included Budapest's acceptance of detailed Soviet interference in, and in some cases outright control of, the Hungarian economy. Paralleling these heavyhanded public policies was a series of vicious intraparty purges which ended in demoralizing and disuniting the leadership as well as the rank and file.

Despite the mounting morale problems, there was very little effort by Rakosi either to understand or to ameliorate popular grievances. The first steps toward correcting the situation were taken in response to an alarming lag in the national economy in 1953. Imre Nagy (Figure 2), a Communist who was obsessed by the failure of Rakosi to work out solutions to legitimate national problems, became Premier in July 1953 and immediately introduced the so-called New Course, an economic policy designed to improve consumer supplies and encourage workers to produce by relying



FIGURE 2. Former party leader Matyas Rakosi, "Stalin's best pupil," and former Premier Imre Nagy, nationalist-Communist head of government during the 1956 revolt (U/OU)

on incentives rather than force. As a corollary, Nagy took advantage of the confusion after the death of Stalin in March 1953 to order an easing of police terror. Nagy's program, however, was effectively undermined by Rakosi and his henchmen, and in early 1955 Nagy was ousted as Premier.

Rakosi's success in choking Nagy's mild reformism proved to be the catalyst for a final buildup of popular pressures that ultimately exploded in the 1956 revolt. Although Rakosi's grip on the Hungarian political situation was finally wrenched loose by Khrushchev's denunciation of Stalin at the Soviet Communist Party's 20th Party Congress in February 1956, it was too late. In the early summer of 1956 the new Soviet leadership pressured Rakosi to resign as party leader, but he passed on his authority to his protege and figurehead Erno Gero, who was incapable of containing the anti-Stalinist fervor that had by then gripped the nation, including the party. Small groups of students and writers held frequent meetings publicly denouncing the old regime and demanding full exoneration for victims of the terror. Emboldened by the rise to power in Poland of a more nationalistic regime in October 1956, and enflamed by emotional appeals to Magyar nationalism at home, Hungarian students and intellectuals took to the streets in spontaneous demonstrations. The secret police overreacted by firing on the demonstrators, and in late October 1956 the Hungarian revolt was on.

The Rakosi-Gero regime resigned in the early days of the revolt but it still maintained control over much of the central party apparatus and secret police. Indeed, Imre Nagy, who was reappointed Premier, was kept virtual prisoner by Rakosi until early November. In this leadership vacuum, the Hungarian party disintegrated and popular demands for withdrawal from the Warsaw Pact and for "neutrality" became a key factor in raising Soviet alarm. Soviet troops, who temporarily withdrew from Budapest under the guise of accepting demands that they leave the country, actually were deployed around the city waiting for reinforcements to arrive. There is strong evidence indicating that Soviet troops never intended to withdraw from the country.

Under overwhelming pressure from the insurgents and from the workers councils which had seized control of factories, Nagy was forced to make concessions he normally would have considered excessive. During his few days of independent authority, Nagy was forced to recognize the validity of workers councils as basic political organizations, to revive old non-Communist political parties, to announce plans for free elections, and to set a neutral



**FIGURE 3. Soviet tanks patrolling Budapest during the 1956 revolt (U/OU)**

course for Hungary based on withdrawal from the Warsaw Pact. Soviet troops, by this time heavily reinforced, returned to Budapest (Figure 3) and other insurgent strongholds and crushed the rebel forces by 4 November 1956. Janos Kadar, a former victim of Rakosi's purges who was appointed party leader when Gero resigned, denounced Nagy as a tool of the counterrevolutionaries, and set up a new Hungarian government under the protection of Soviet troops. The concessions made by Nagy were renounced, and harsh reprisals were ordered against those who had participated in the Nagy government. With the failure of the revolt, Nagy and his cabinet took refuge in the Yugoslav Embassy in Budapest, but were later arrested and sent to exile in Romania. Nagy and three other rebel leaders were returned to Hungary and executed on 17 June 1958.

### **3. The Kadar regime: "Goulash communism" at work**

Confronted by the extraordinary impact of the revolt on all aspects of Hungarian society, and particularly on the party, the Kadar regime set about the task of reorganizing the Communist party, winning the cooperation of an alienated people, and reestablishing the international respectability of the country. Kadar successfully initiated a low-key policy of gradualism and relaxation that fitted the mood of the people and satisfied the desires of the Soviets. He demonstrated a remarkable willingness to use a pragmatic approach in resolving domestic problems and an ability to preserve a degree of maneuverability in dealing with the U.S.S.R. Despite popular resentment and obstructionism from former Stalinist elements within the party, Kadar accomplished the

exceedingly difficult task of reorganizing the Communist party and effecting a limited improvement in its popular image.

Kadar soon began to flex the political muscle he had gained during his party's rebuilding efforts after the revolt. In 1960 the first amnesty for some of the participants of the revolt was a benchmark of Kadar's growing power. By 1962 he had completely outmaneuvered his Stalinist opposition, expelled Rakosi and his cohorts from the party, and initiated a de-Stalinization campaign that ousted others identified with Rakosi's rule from the party and government. Almost simultaneously, Kadar announced a general amnesty, resulting in the release from prison of most of the remaining rebels of 1956. He also changed the party's relationship with the nation at large by reversing Rakosi's aphorism "Those who are not with us are against us" to read "Those who are not against us are with us."

As Kadar opened the door for Hungarians to participate more in national affairs, and as he reestablished the international respectability of his regime, he gradually added new advisers—mostly of a relatively liberal cast—to his retinue. These more highly educated Hungarian Communists helped in the difficult task of forming a program of political relaxation that would both ease internal divisions and yet stay within the limits acceptable to the Soviets. Building his position gradually on demonstrated successes, Kadar gently pushed the Soviets toward granting him a greater degree of domestic autonomy.

Kadar's major structural change to date has been the New Economic Mechanism (NEM), a program of economic reform initiated in 1968. While its general thrust can be traced to Imre Nagy's New Course in 1953, the NEM essentially embodies those theories on decentralizing the economic structure that were suppressed in 1958 by the then still influential Stalinist elements. By 1962, however, a group of talented economic theorists within the party leadership convinced Kadar that the tightly centralized Soviet-style economy could not satisfy Hungary's long-range economic goals. Recommendations were studied and tailored to satisfy cautious political criteria before the reform's introduction 6 years later. The reform's initially destabilizing impact on the Hungarian economy was carefully minimized, and the general success of the NEM has been reflected in a significant improvement in the standard of living with a concomitant improvement in the party's relations with the people.

Paradoxically, as Kadar's reformist course began to yield fruit, popular anxieties over potential Soviet

dissatisfaction increased. Part of the reason was Kadar's decision to enter the highly sensitive area of political reforms, in spite of the lessons of the ill-fated Czechoslovak experiment of 1968. Arguing that the economic reform called for parallel adaptations in the political arena, regime liberals began to campaign for a more representative parliamentary system, a curbing of the extralegal powers of the secret police, and a constitutional reform that would ratify changes since the Rakosi era. Although Kadar repeatedly has assured both Moscow and domestic conservatives that he intends to shun the ill-fated Czechoslovak heresy of 1968, footdragging at home and Kadar's own inherent caution vis-a-vis Moscow has made the movement toward political reforms glacially slow.

Despite a gradual accumulation of reforms, the Hungarian Communists are still dedicated to maintaining their power and retaining the means to protect it. The regime ultimately defends its prerogatives through the subtle manipulation of all the weapons available to a modern totalitarian state; the police, propaganda organs, and the judiciary are fully responsive to political direction by the party. Kadar, however, prefers to work in a sophisticated way, using indirect controls in order to avoid creating popular resentment and hostility. Where possible, persuasion and incentive are used rather than pure coercion. There is a growing degree of sincere observance of the principle "socialism with a human face," but the regime has not permitted any illusions as to the nature of its response should its monopoly of power come into question. Although the strict laws from the Rakosi era have fallen into disuse, they remain on the books, and few Hungarians doubt that the regime's reaction to any serious antistate activity would be severe.

Kadar's success in effectively controlling Magyar nationalism is probably his strongest asset in dealing with Moscow. Kadar makes no concessions to virulently anti-Soviet Magyar nationalists and tries drastically to limit even the more innocuous expressions of Magyar pride. This policy is the single greatest obstacle to wider popular identification with his regime, and Kadar has not yet found a formula that would allow him to channel suppressed nationalism in a politically benign direction.

The core of Kadar's working relationship with Moscow is his maintenance of domestic stability and his loyal support of the Soviet Union's foreign policy directives. This all but total orthodoxy in Hungary's relations with the non-Communist world is unpopular with the great majority of Hungarians. Nevertheless, the isolation of the people from the West has been

ceased, and most Hungarians welcome the U.S.S.R.'s interest in East-West detente. As a result, tensions within Hungary over the pro-Soviet alignment of Kadar's foreign policy are at a relatively low ebb. Hungary's relations with the Communist world, however, are another matter. There is considerable evidence of active regime pursuit of its national interests within Communist bloc councils, particularly in economic matters having an important impact on domestic developments. Hungary has thus been vocal in calling for reforms of the Council for Economic Mutual Assistance (CEMA), and has also led the way in the development of Eastern European cooperative agreements with individual Western firms. Nevertheless, cooperation is the keyword; Hungary does not and, for the foreseeable future, will not indulge in the kind of flamboyant international foreign policy that Romania pursues to the irritation of the U.S.S.R.

Kadar and most of his immediate advisers appear committed to consumer welfare and political stability as the bases of their rule. These goals allow little room for daydreams about full national independence, but they do seem to have diverted the fervently nationalistic Magyars from backsliding into the sort of fanaticism that has deeply scarred their recent history. The continued success of this compromise, however, depends in large measure on a wide range of potential developments in international affairs that are outside the regime's control. The Hungarians, however, have learned several lessons from their tragic past and have done a relatively responsible job in preparing for the future. Kadar himself has said, "Let our reputation be 'the Hungarians know what they want and what they want they are able to achieve.' We want socialism, communism, progress, and peace in the world. This is what we are fighting for and, according to our powers, we contribute to it."

## B. Structure and functioning of the government (U/OU)

### 1. Constitution

On 20 August 1949 the Hungarian Communist regime, replacing the quasi-democratic Constitution of 1946, adopted a constitution based on that of the U.S.S.R. which provided the framework for the Sovietization of the country. Since then, the Constitution has been amended on numerous occasions—the most recent in April 1972—but its basic character has remained unaltered. As amended, the Constitution declares the Hungarian People's Republic to be a socialist state in which "all power is

exercised by the working people." Hungarian citizens are guaranteed the right to work, rest and recreation, protection of health, and universal education. The Constitution states that citizens are equal before the law and that women enjoy equal rights; that liberty of conscience and freedom of worship are safeguarded; that the state guarantees (although other provisions qualify these guarantees) freedom of speech, press, and assembly, the right to organize, and the freedom and inviolability of the person, home, and correspondence; and that discrimination on the grounds of sex, religion, or nationality is forbidden. Minorities are guaranteed the same rights as those extended to Hungarians, and provision is made also for the instruction of minorities in their own language in separate educational facilities.

The nation's political leaders—and indeed the citizens themselves—do not view the Constitution as the supreme law of the land or as an effective limitation on the power of the government. Moreover, although the government structure appears to be patterned in part after that of a Western political democracy, there is neither a constitutionally established system of checks and balances nor a separation of governmental powers. Provisions that appear to support the principle of popular sovereignty, democratic government, and civil liberties have little significance because of the absence of parallel provisions for their effective implementation and because of vague formulations which in effect permit whatever police actions the government deems necessary to preserve its monopoly of power. Similarly, provisions regarding the inheritance and acquisition of property are circumscribed by other provisions which hold that private property and private enterprise must not run "counter to the public interest." In the period immediately following the 1956 revolt the regime paid little attention to constitutionally enumerated civil rights, and, although in recent years it has avoided blatant contravention of these provisions and has attempted to control the population by means more in keeping with the wide latitude provided in the Constitution, numerous restrictions on the activities of all Hungarian citizens still exist.

Contrary to the expectations of many observers, the April 1972 revisions of the Constitution failed to introduce any far-reaching changes into the fabric of political life. Earlier suggestions that the revised Constitution strengthen Parliament's legislative competence and underwrite legal guarantees for citizens' rights never reached fruition. Perhaps the most notable addition is the acknowledgement for the

first time that the Communist party is "the leading force in society."

In practice, constitutional distinctions of structure and function fade at the apex of the Hungarian administrative hierarchy. Supreme authority since 1956 has been held by Janos Kadar, First Secretary of the Party Central Committee. Kadar also held the governmental post of Premier from 1956 to 1958 and from 1961 to 1965. In June 1965 he relinquished the premiership but remained within the government as a member of the Presidential Council. Immediately subordinate to Kadar is a group of handpicked assistants who hold the main command posts of both party and government. The frequent practice of announcing national policy in joint decrees of the party and government illustrates the integration of these lines of command.

## 2. Structure of government

The most characteristic feature of the Hungarian Government is the existence of an all-powerful extragovernmental organization, the ruling Communist party. Acting as "the leadership of the working class," the party has a commanding role in the economic, political, and social life of the country. Basing its pervasive role on a vague constitutional provision, the party dictates the functions of government, formulates national policy, and supervises the implementation of that policy without any system of direct popular checks. The government structure, therefore, must be examined in terms of its constitutionally undefined relationship to the dominant Communist party, which operates without any binding legal restraints. Despite the primacy of the party's position, however, the government is the principal avenue through which the party's control over the nation is manifested.

The national government is highly centralized and, as depicted in Figure 4, some key party leaders hold simultaneous positions in the government hierarchy. This form of dual responsibility was much more prevalent in the past, but Kadar has acted gradually to reduce the most visible aspects of high-level party influence in government. This reduction, however, has been more apparent than real since 27 of the top 45 government officials are members of the party's Central Committee and actively pursue party goals in their state functions. In any case, few Hungarians are fooled into believing that state authority is independent or distinct from party authority.

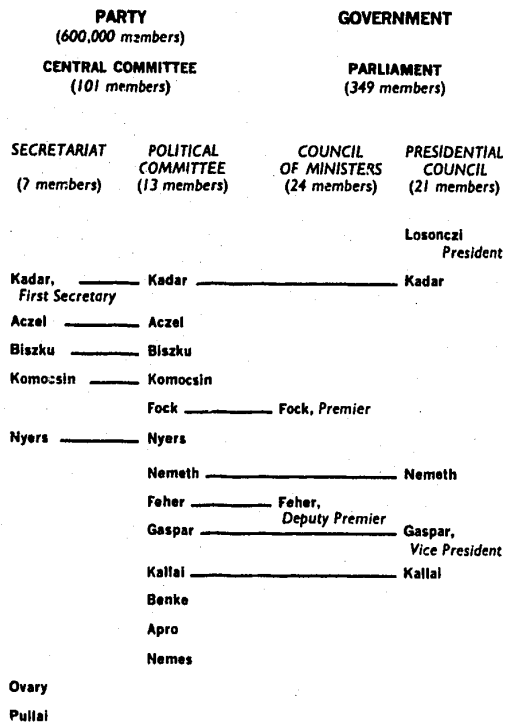


FIGURE 4. Interrelationship of top positions, HSWP and government, March 1972 (U/OU)

*a. Parliament*

According to the Constitution, the highest organ of state authority is the Parliament, which theoretically exercises "all the rights deriving from the sovereignty of the people," and to which all governmental agencies are responsible. The unicameral Parliament is elected every 4 years, and in 1972 was composed of 352 members. The last parliamentary election was held in 1971. In extraordinary circumstances Parliament may extend its mandate. Such an extension took place in 1957, when, after the 1956 revolt, the Kadar regime did not feel sufficiently confident to face even Communist-style elections.

Parliament (Figure 5) is empowered by the Constitution to make laws, determine the national budget and economic plans, create or abolish ministries and define the scope of their activities, declare war, conclude peace, and grant amnesties. In practice, however, it has little actual power, and it functions as a rubberstamp legislature, endorsing laws

and decrees already formulated by the party. Such legislation may then be introduced by any member of the Parliament, by the Presidential Council, or by the Council of Ministers; most legislation is initiated by the latter two bodies. There have been indications since 1957 that committees of the Parliament, which generally meet in closed session, have played a growing role in the formulation of legislation, but the work of the committees is still far from decisive. Also, during each plenary session of Parliament there have been a few more interpellations of government leaders by the deputies. These interpellations are carefully staged, however, with questions submitted in advance, and generally concern minor issues rather than overall government policies. In rare instances deputies have questioned members of the Council of Ministers about their stewardship and have rejected their answers.



FIGURE 5. Parliament in session in the assembly hall (U/OU)



Only one of these interpellations, however, has resulted in a change in ministerial policy.

Since 1965, there has been a small but gradually more vocal body of opinion dissatisfied with the impotence of Parliament and wanting its role expanded. Results have been slow in coming, but some basic improvements have been made. For example, parliamentary commissions are now given time for a critical review of the government's budget requests, and the annual budgetary session has come to be a sounding board for some legitimate complaints about the performance of individual ministries on the domestic scene. The most fundamental measure affecting Parliament to date was the change in the electoral law providing for representation by constituencies. This contrasted sharply with the previous *pro forma* election of all parliamentary delegates on the basis of a single national slate, on which all names appeared in all parts of the country. Other changes are being discussed, but, until the party is ready to let Parliament use its legislative authority, no Hungarian is prepared to view it as a serious political force. In the meantime, proponents of parliamentary reform are likely to concentrate on minor changes calculated to highlight the minimal degree of responsibility and integrity which the organization has attained so far.

#### **b. Presidential Council**

The Parliament elects a Presidential Council from among its members. This nominally collective presidency consists of a president, two vice presidents, a secretary, and 17 members. The president acts as titular head of state, the spokesman for the government at public ceremonies and in greeting other heads of state. In the intervals between sessions of the Parliament, the Presidential Council as a whole is empowered to carry out all the functions of the larger body except changing the Constitution. Decrees of the council are later ratified by Parliament. In addition, according to the Constitution, the Presidential Council is empowered to call general elections, convene the Parliament, hold plebiscites on matters of national importance, conclude and ratify international treaties, appoint diplomatic representatives and receive letters of credence of foreign diplomats, appoint high-level civil servants and ranking officers of the armed services (in accordance with prevailing statutes), grant awards and titles instituted by Parliament and authorize the acceptance of foreign titles and orders, grant pardons, modify or annul any central or local law or ordinance which

infringes on the Constitution or is detrimental to the "interests of the working people," and dissolve any local organ of government. The Constitution states that the Presidential Council is responsible to Parliament and must render an account of its activities to Parliament, which has the theoretical right of recalling the entire council or any member of it.

Despite the impressive array of powers entrusted to the Presidential Council, it exercises little real authority or initiative in formulating policy. Its primary function in practice appears to be the conduct of the day-to-day mechanics of government, under provisions and procedures established by the party and enacted by the rubberstamp Parliament. Several top party leaders—including party chief Kadar—are members of the council, thus insuring party control. Most of the other members of the council elected by the Parliament in April 1971 are politically insignificant and exert no personal influence over government policies.

The Presidential Council is assisted by a secretariat which acts as liaison with the party on the working level and employs a small staff of experts who prepare the documents coming before the council. The council meets about once a week to formalize decisions forwarded by the party or other government organs and to conduct the administrative business of the government. Some of its decrees are promulgated in the official Hungarian Gazette (*Magyar Kozlony*); others, which are not published, usually deal with cases involving individuals and such matters as loss of citizenship or clemency actions. Some of the unpublished decrees are classified secret and these include such matters as appointments of high-level civilian or military authorities. Since about 1949 the Presidential Council has reportedly formalized the appointment of only the highest level persons, previously chosen and approved by the party; the official designation of new deputy ministers, field grade officers, judges, and attorneys of courts martial is said to have been transferred to the competence of the Council of Ministers.

#### **c. Council of Ministers**

The executive functions of government rest with the Council of Ministers, which in practice is the dominant government body. Members of the council are elected and recalled by Parliament and, according to the Constitution, may not simultaneously be members of the Presidential Council. In July 1972 the council was composed of the Premier, four deputy

premiers, 16 ministers, and four state office chairmen with ministerial rank;<sup>1</sup> the ministries were:

- Agriculture and Food
- Construction and Urban Development
- Culture
- Defense
- Finance
- Foreign Affairs
- Foreign Trade
- Health
- Heavy Industry
- Interior
- Internal Trade
- Justice
- Labor
- Light Industry
- Metallurgy and Machine Industry
- Transportation and Postal Affairs

<sup>1</sup>For a current listing of key government officials consult Chiefs of State and Cabinet Members of Foreign Governments, published monthly by the Directorate of Intelligence, Central Intelligence Agency.

Figure 6 illustrates the general relationship of party and government units. Although in 1971 only two members of the Council of Ministers held simultaneous positions in the Party Secretariat or the Political Committee, the influence of the latter two bodies over the Council of Ministers is pervasive and decisive. This influence is achieved through the subordination of the council's activities to the initiative and supervision of the individual members of the Secretariat and Political Committee. These individuals usually specialize in one or more areas of government activity and have the active support of Central Committee functional departments in developing policies. The Secretariat and the Political Committee issue binding and detailed guidance to the Council of Ministers on important and on many seemingly trivial topics. For the most part, this "shadow government" remains in the background and only occasionally issues public statements on important questions.

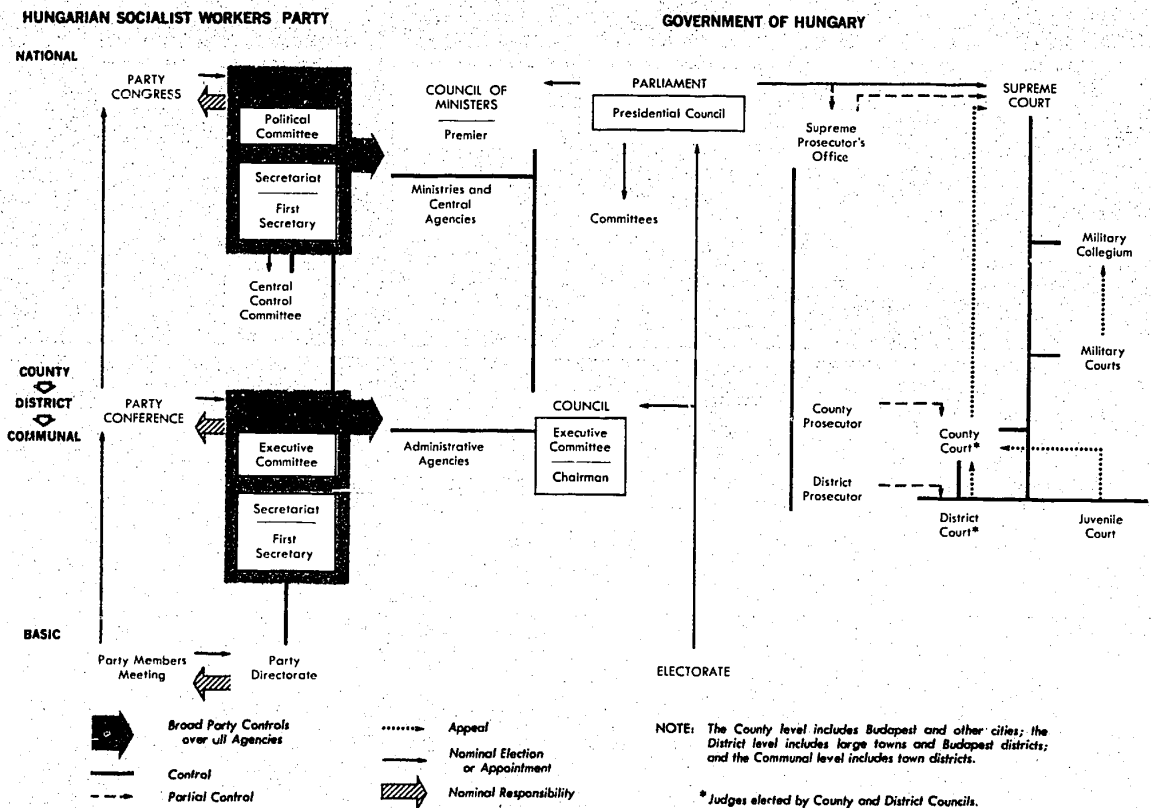


FIGURE 6. Structure of political controls (U/OU)

Despite this complicated system of duplicate bureaucracies, the Council of Ministers is the actual focal point of government and is the clearing house for the collection of information, implementation of policy, and solution of problems which filter up from the individual ministries and other government officers. The Constitution grants virtually unlimited powers to the council and to the individual ministers to take action on "any matter touching state administration." Theoretically, the Council of Ministers is responsible to Parliament—in fact, it issues an annual, *pro forma* report to Parliament—and it may not promulgate any decrees which infringe on statutes or on decrees of the Presidential Council.

Because of its size, the Council of Ministers is a relatively unwieldy body. It meets both in plenary sessions and in narrower, so-called presidial sessions. Plenary sessions are generally held about twice a month, and presidial sessions less frequently, only when needed. All members of the council, plus invited experts, participate in plenary sessions. Although the "presidium" of the Council of Ministers is not a statutory body, its permanent members have been seen in practice to be the Premier (a Politburo member), and four deputy premiers (one of whom holds a position on the Politburo). As the keeper of the minutes, the chief of the Secretariat of the Council of Ministers also participates *ex officio* at both plenary and presidial sessions. In matters of minor importance, usually involving intraministerial affairs, the Premier, or one of the deputy premiers, makes decisions himself in the name of the council.

Another cabinet post, with the title of secretary of state, was created in 1968 in an attempt to improve the efficiency of the State Office for Church Affairs, the Central Statistical Office, the Central People's Control Committee (KNEB), the National Bank, and the Bureau for Local Councils. By virtue of their having been promoted to ministerial rank, the heads of these agencies have the power to cut across bureaucratic channels in pursuing their various tasks. The latter four offices need the extra authority to insure the correct application of the 1968 economic reform program (NEM).

The activities of the Council of Ministers have been deeply affected by the introduction of the 1968 economic reform. Individual ministries lost much of the power they once had over local operations. As a result, the staffs of the ministries were reduced by 10% between 1968 and 1971. Nevertheless, party and government leaders are convinced that more personnel cuts will have to be made because of the bureaucracy's

demonstrated inability to adapt to new conditions demanded by the NEM. This is one reason, for example, for a proposed merger of the four industrial ministries into one with a much smaller staff. Consistent with this reduction in the central bureaucracy is a party campaign to ease citizens' complaints about bureaucratic delays in handling essential economic and public service matters. There has been little practical progress in this campaign, but the threat of further reductions in the ministries' staffs may accelerate the program.

The Council of Ministers is a stronghold of technocrats and other well-qualified professionals. Although only nine of the 16 ministers are members of the party Central Committee, all of them—with the exception of the Minister of Defense and the Minister of Interior—hold doctoral diplomas. In several cases ministers came into the government directly from prestigious positions in the universities. In many instances the ministers' Central Committee membership is more in recognition of their technical talents than of their Communist credentials, and Kadar continues to allow Premier Fock to choose the best trained men for seats in the Council of Ministers. After the national elections in 1971, Peter Valyi, an economics expert, was promoted to deputy premier in spite of his Jewish nationality. Valyi's promotion was a display of political courage by Kadar, since Valyi has taken over responsibilities for CEMA relations and has frequently come into contact with representatives of the Soviet Union, who have since the Arab-Israeli war frowned on promoting Jews to high office. The Soviet Communist Party newspaper *Pravda* in February 1972 warned the Hungarians against their particular vulnerability to "Zionist" machinations.

Most of the legally binding decisions of the Council of Ministers reportedly are never published; instead, numbered copies are classified "Top Secret" and sent only to the individuals involved. Others of lesser classification, appear in the *Hatarozatok Tara* (Collection of Decisions), the confidential gazette of the Council of Ministers, which receives fairly wide distribution within the party and government (in 1965 as many as 850 copies were distributed). Unclassified pronouncements of the Council of Ministers, decrees (*rendeletek*), and decisions (*hatarozatok*) are published in the unclassified, official Hungarian Gazette. Before 1972, only minor parts of such pronouncements were published. Moreover, the unpublished sections reportedly often contained directives to lower authorities that contradicted those appearing in the gazette. According to the proposed draft of the new constitution, all decisions must be



bureaucrats in the county capitals. This system caused atrophy of the local councils, and stifled efforts to generate grassroots participation in national politics. When the regime approved the economic reform in 1968, it admitted that the basic principle applied to the economic structure—that more authority and responsibility for decisionmaking would be assumed by those directly involved in local affairs—should also apply to the local government structure.

In April 1971, Parliament passed a new Law on Local Councils which provided general authorization for the councils to assume several important autonomous powers. Chief among these was budgetary control over much of the educational and public service expenditures on the local level. In 1970 three-fourths of the council's budget was supplied by local taxation; the councils are slated to attain full fiscal independence from Budapest in the early 1970's. The councils are responsible for drafting local development plans for long (15-year), medium (5-year), and annual terms. These plans are coordinated and reviewed by the Council Bureau of the Council of Ministers. The bureau has the power of veto, which it has reportedly exercised on several occasions. The local councils also have been given enabling authority for control over some of the economic activities taking place within their jurisdictions. Council subcommittees, for industry, agriculture, etc., which once reported directly to the ministries in Budapest, have been made directly responsible to the elected council leadership.

The devolvement of this authority to local government bodies, however, has not been smooth. Some of the bureaucrats in the ministries and at intermediate levels have not given up their authority over the councils without a fight. As a result there has been uneven implementation of the new council law throughout the country. The top party and government leaders, however, are firmly behind the changes, and during the 1971 elections substantial personnel changes were made to reduce bureaucratic resistance to the new local government legislation. Furthermore, Budapest is gradually eliminating the district level of government (*jaras*) in order to remove this additional bureaucratic layer. In the future only the party is slated to function at the district level.

Regime theoreticians place great stock in the potential of the local councils as a means for engaging the people in widespread political activity within the system. First indications are favorable. For example, there was much greater popular participation in the local council elections of 1971 than in the accompanying national elections. Moreover, there are

solid indications that public concern over local problems could be and was openly demonstrated to the benefit both of governmental efficiency and the regime's relations with the populace.

Hitherto, council members were elected in general elections every 4 years, simultaneously with national parliamentary elections. Under a change introduced in 1971, however, local government elections will be separated by 2 years from the national elections, mainly to ease administrative burdens. Council members are nominated by meetings of their constituents, and, in the case of multiple candidacies, the party, through the popular front, endorses one or sometimes two candidates for the same seat. In the 1971 elections, 68,865 council members were elected at local levels. Local council members in turn elect the members of county councils, on the basis of a list submitted by the Council of Ministers. The local councils are headed by an elected chairman, working with a secretary appointed by the next higher administrative level in consultation with Budapest. By law, the secretary must have a university degree or 2 years of training at a special school, the so-called Council Academy. The secretary's basic role is to make sure that the independent decisions of the council are consistent with and meet the requirements of the general policies set by Budapest.

#### 4. Legal system

##### a. Legal codes

At the end of World War II, Hungary's legal system was in a sense unique among the legal systems of continental Europe. Although all had been deeply influenced by Roman law, in Hungary this influence did not result in the formation of a system of codified statutes. Hungarian law remained largely a system of its own, similar to common law, based upon diverse statutes, customary law, and precedent. Until 1945 the major source of civil law was legal custom (*jogszokas*), both written and unwritten. The best known compilation of the written customary law is Istvan Werboczi's *Tripartitum*, which was first published in 1517 and, though never formally enacted as law, was accepted by Hungarian courts until the advent of Communist rule.

Beginning in 1945 the Communists made a definite and purposeful attempt to abolish the existing legal system and substitute one patterned after the Soviet model; most of the abundant legislation enacted between 1945 and 1949 was directed to this end. The adoption of the Communist Constitution of 1949 marked a significant shift in the nature of the legal

process in Hungary by abolishing the right of the head of state to sanction laws enacted by the Parliament. In Communist practice, the Parliament, convoked only occasionally, passes few laws, and the legislative power is exercised almost exclusively through the Presidential Council and the Council of Ministers through edicts, decrees, and resolutions.

Efforts to codify Hungarian civil and criminal law were initiated by the Communist regime in 1953, when a commission was established to prepare a comprehensive code of socialist law based on the Soviet model. The work of the commission was interrupted by the 1956 revolt, and the first code, that of civil law, was not published until 1959. The 1959 civil code was based primarily on the 1923 Soviet model and later Czechoslovak and Polish codes. It effectively eliminated those vestiges of Western legal tradition which had formerly characterized Hungarian jurisprudence, and it gave legal substance to the regime's program of socialization, under which party representatives frequently interfere with or even dictate to the courts.

The criminal code was enacted in 1961, and became effective on 1 July 1962. It, too, was based on the Soviet concept of criminal law and had as its chief purpose the consolidation of "socialist legality." The code generally summarized laws enacted by the regime since 1947 and included a detailed listing of broad categories of "crimes against the state," for which harsh penalties were provided. This category of crimes includes: conspiracy, sedition, sabotage, incitement, treason, espionage, and knowledge of these crimes in preparation. The code stipulates that if such a crime is perpetrated in Hungary to the injury of another socialist state it is punishable according to the laws of the nation against which it is committed. Moreover, the code is applicable to Hungarians abroad, and the category of antistate crimes is claimed to be applicable to foreigners abroad. In general, the criminal code emphasizes rehabilitation for first offenders, severe punishment for recidivists, and capital punishment for grave offenses against the state (originally including economic crimes).

A 1966 decree of the Presidential Council, effective 1 January 1967, modified the investigative procedures in criminal cases and increased the authority of the courts. The decree stipulates that defense attorneys must always be present at criminal hearings, and judges may reject a case—i.e., send it back to the public prosecutor for further action—if the documentation is incomplete. In addition, the court is granted wider discretionary powers to decide which cases to treat as disciplinary actions, presumably by

sending the case to the social courts, and which to treat as criminal offenses. Sentences which call for more than a year's imprisonment may also include confiscation of property under the 1966 decree. Although these innovations suggest that Hungarian courts may extend a measure of recognition to the rights of the accused, the decree probably reflects the continued efforts of the regime to curb the spread of delinquency and juvenile crimes.

In recent years the regime has admitted that the existing civil and criminal codes are inadequate to deal with current problems, and both statutes have been scheduled to be rewritten by 1973. The criminal code in particular has been criticized as too inflexible and out of line with modern legal and penal theories. Some interim changes have been made which give the courts a more flexible range of penalties to mete out, while the more Draconian aspects of the old criminal code (like the death penalty for economic offenses) have been rescinded. Judges have thus been granted the right to categorize convicted prisoners by the gravity of their offense; those in the least serious category are eligible for lighter sentences, restoration of a clean police record after several years of good behavior, and reduction of sentences by as much as one-third for good behavior. Major criminals and recidivists, however, are subject to even sterner penalties with drastically reduced opportunities for parole. Penal institutions also have been reorganized into four "divisions" with gradations in the strictness of internal regimen. These changes are designed to improve the chances of rehabilitation for first offenders, while simultaneously punishing habitual criminals more severely.

A peculiarity of the Hungarian legal system is the multitude of investigative agencies empowered to root out criminal activity. Apart from the police, there are people's control (KNEB) officers, whose powers are strictly limited to investigations; local party organizations which frequently conduct their own extralegal investigations; and officials of the Supreme Prosecutors Office. Public prosecutors throughout the country have a dual function; they fulfill the usual role of state advocate in court, but they are also authorized to investigate corruption and other irregularities among the economic and government bureaucracy. The prosecutors have to observe the usual immunities for members of the central government, but the Supreme Prosecutor in Budapest can request waivers of immunity in special cases. The prosecutors' authority is more extensive than that of the KNEB officials because the prosecutors can, in

place of the court, issue legally binding orders to "cease and desist" and warnings that certain activities are suspect.

Nevertheless, this array of investigative authorities has been ineffective in stamping out corruption or preventing major scandals. This is largely attributable to the lack of a unified, fully empowered investigative agency, a situation which facilitates countervailing political pressures and coverups that frustrate the system.

#### *b. Courts*

Since the Communist seizure of power the court system has been used by the ruling party as a means of insuring its own continuity in power and eliminating opposing political elements. Soon after the occupation of the country by Soviet forces in 1945, so-called people's courts were set up; these courts were composed of a professional judge and five laymen who could advise but could not participate in deciding the verdict or the sentence. Originally established to try war criminals, the people's courts were not abolished until 1954, and were revived after the 1956 revolt to facilitate adjudication of "counterrevolutionary cases." They were again abolished in 1959.

The basic structure of the court system, which is under the administrative supervision of the Ministry of Justice, consists of a Supreme Court, county and district courts, juvenile courts, and special courts, including military tribunals, social courts, and labor affairs courts. The Supreme Court, composed of professional judges and lay assessors, is the appellate tribunal for cases tried by county and special courts, and also acts as a court of first instance (i.e., a trial court) for specific, important cases submitted by the Supreme Prosecutor. It is organized into five collegiums: criminal, civil, military, labor affairs, and economic affairs. The President of the Supreme Court is authorized to intervene on his own initiative in any case at any stage of the proceedings. Additionally, upon the decision of its president, the Supreme Court may preempt a lower court's acting as a court of first instance. There is no concept of judicial review, however, in Hungarian Supreme Court practice. The President of the Supreme Court is elected by Parliament for a term of 4 years. All of the professional judges throughout the court system are elected for indefinite terms by the Presidential Council. The Supreme Prosecutor is chosen for 6 years.

County courts are organized into civil and criminal collegiums, and are composed of both professional and lay judges. They have original jurisdiction in most antistate crimes and important civil cases, and hear

appeals from district courts. District courts also have both professional and lay judges; they are not organized into civil and criminal collegiums, although they hear both types of cases. The district courts have original jurisdiction over minor civil and criminal cases. Certain district courts have also been designated by the Minister of Justice to hear cases involving juveniles. There are five military courts in Hungary which have jurisdiction not only over all members of the armed forces and police but also over certain categories of government officials and civilians accused of crimes involving national defense. All military tribunals are courts of original jurisdiction, and appeals are directed to the military collegium of the Supreme Court.

The use of lay judges or assessors is a particular characteristic of Communist juridical theory, and is designed to render a semblance of "worker" participation in court procedures. In most county and district courts two lay assessors and a professional judge hear most cases, and each has an equal vote. If unanimity cannot be reached on a verdict, a decision is made by majority vote. Lay assessors participate in civil, criminal, and economic cases, but only in courts of first instance; appeals are examined by panels of professional judges. County and district assessors are popularly elected for a period of 4 years; candidates must be approved by local party authorities.

Although the establishment of special "social courts" was proposed in the summer of 1956, these courts were not actually operative until 1958. Their sphere of authority was expanded by a law passed in 1962, which became effective on 1 January 1963. The social courts are subordinate to the National Trade Unions Council and were initially established to deal with minor offenses committed by workers on factory property. Since 1962, social courts have also heard cases involving offenses committed by workers outside industrial installations. In general, only minor cases are considered by the social courts, and all other cases must be referred to the district court. In exceptional cases a district court may review the proceedings of a social court—the normal appeal is made to the enterprise Trade Union Committee—but district courts are authorized to invalidate the proceedings of a social court if they determine that criminal action is warranted.

The social courts are composed of a panel of lay judges, elected for 3-year terms by the workers of the enterprise concerned; candidates are usually chosen by the enterprise Trade Union Committee and approved by the party. The 1962 law stipulated that social

courts were to be established in all enterprises employing more than 100 workers.

The activity and effectiveness of the social courts has been very limited. Trade union officials have admitted that a substantial number of social courts have not heard a single case since their establishment. In addition to warnings and reprimands, the courts may recommend demotion or dismissal of a worker, impose small fines, attach up to 50% of a worker's wages, propose compulsory treatment of an alcoholic, and order restitution of damages.

Labor courts were established in mid-1972—to be effective 1 January 1973—to hear appeals against decisions of arbitration committees located in individual economic enterprises. Clearly an outgrowth of the experiences garnered under the economic reforms, the labor courts deal with cases involving an individual laborer and factory management. In most instances, the labor courts have adjudicated disputes on workers' rights and duties in economic enterprises.

#### *c. Central People's Control Committee*

On 30 December 1957 the Hungarian regime established the Central People's Control Committee (KNEB), the successor to a series of "people's inspection" organizations which had functioned through the Ministry of State Control until 1956. The KNEB was designed to act as a government watchdog committee to prevent economic abuses in state enterprises or private business. The 15-man national committee is appointed by the Presidential Council, and its chairman attends meetings of the Council of Ministers as an adviser. Lower level committees have been established for cities, counties, districts, and communities.

As originally constituted, the KNEB had broad investigative authority but had no power to punish or suspend persons suspected of economic crimes; all evidence was turned over to the office of the Supreme Prosecutor for criminal action. The inability of the KNEB to impose sanctions on guilty parties rendered its operation largely ineffective, and its activities were frequently hampered by local government, party, and enterprise officials who considered that the KNEB was encroaching on their authority.

In June 1964 the Presidential Council issued a new decree expanding the sphere of authority of the KNEB and granting the committees the right to impose specific punitive measures on any persons or organizations hampering its investigations. Since 1964 the KNEB has been charged with the general supervision of economic activity, especially in cases

requiring the cooperation of several ministries, industrial branches, or economic units. "People's Supervisors" are empowered to examine the implementation of economic measures, and their investigative authority has been extended to the armed forces and the police when specific permission of the appropriate ministry is obtained.

Initially, the economic reform had very little effect on the activities of the KNEB. In October 1968, however, a new People's Supervision Law was passed by the National Assembly which reduced the authority of the KNEB. The new law's basic feature was the addition of local administrative controls over KNEB personnel; local councils were given authority to remove from office as well as to appoint local KNEB officers, and tenure in office for KNEB officers was limited to 4 years commencing with the election of new local councils throughout the country. Speeches made during parliamentary debate on the People's Supervision bill frankly indicated that the administrative controls over local KNEB officers were intended as a brake on overzealous interference at the factory level. This measure was part of a regime maneuver to reassure management whose paralyzing fear of making mistakes threatened to hamstring economic reform. The new law apparently did not change the functional control of the KNEB which remains in the hands of the Council of Ministers.

In 1970, when the last published statistics on KNEB strength appeared, there were about 30,000 People's Supervisors in Hungary. The average number of complaints handled each year remained around the 10,000 mark through 1971.

### **C. Political dynamics**

The Hungarian Socialist Workers Party (HSWP) is the controlling force in national political life. Its monopoly of power is unchallenged by either legal or organized illegal opposition. Under the leadership of First Secretary Janos Kadar, however, the HSWP has developed a sophisticated modus operandi which emphasizes careful attention to the concerns of significant interest groups and to public opinion in general. Kadar has warned his followers that "we must work as if there were 20 parties in Hungary and we had to win votes by secret ballot every day, for this is the only way for us to secure the support of our people." (C)

In order for Kadar's style of rule to succeed, he needs the forbearance and, increasingly, the good will of the people. The achievement of his long-range goals depends on continuing domestic tranquillity.



The main obstacle to his efforts to establish rapport with the people, however, is the basic fact of Hungary's dependence on the Soviet Union. Kadar's accommodation to this reality has led him to adopt a formula of close imitation of Soviet foreign policy and extreme—sometimes seemingly exaggerated—caution in pursuing necessary domestic reforms. This in turn, has led to periodic embarrassments, such as his reluctant participation in the Soviet-led invasion of Czechoslovakia, which have hampered his efforts to establish close popular identification with the regime. (C)

Although the party retains firm control over all the traditional elements of dictatorial control, Kadar realizes that if he were forced to rely on authoritarian measures he would jeopardize the core of his domestic program; his domestic policies and—within certain limits—his foreign policies, are tailored as much as possible to attract the voluntary support of the people. (C)

## 1. Communist party (S)

### a. Organization and structure

Established in 1956 after the virtual dissolution of the Hungarian Workers Party during the revolt, the HSWP (Figure 6) organizationally resembles other ruling Communist parties. The basic rules for the organization, functions, and membership of the HSWP are contained in the party statutes as adopted in 1956 and revised at subsequent party congresses.

Article 19 of the party statutes states that the organizational structure of the HSWP is based on the principle of democratic centralism. The main elements of democratic centralism are the election of all party organs by the next lower body, the assertion of collective leadership at all levels, periodic accountability of higher party organs to lower party organs, strict party discipline, and subjection of the minority to the majority, once a decision has been reached. In theory, therefore, power flows upward via democratic methods; in practice, however, power and control are localized in the top leadership, i.e., there is more emphasis on centralism than on democracy.

Organizationally, the HSWP parallels Hungary's political-administrative subdivisions, with the central apparatus in Budapest and subordinate organizations at the county, district, and communal level. Separate party organizations exist for administrative divisions of cities with county and district status. Each level is generally similar to the next in organization, with a representative body which theoretically is the executive agency at that level. The representative bodies are the Party Congress for the national party, the party conference for county, district, and urban

party organizations, and the general membership meeting for party cells.

(1) *Party Congress*—According to article 23 of the party statutes, the highest organ of the HSWP is the Party Congress, which is supposed to convene every 4 years. Since the establishment of the HSWP in 1956, a national conference was held in June 1957, and four Party Congresses met, in November of 1959, 1962, 1966, and 1970. At the 1959 congress the previous congresses were renumbered to reflect the continuity of the party since 1918, as shown in the following tabulation:

1918 (November)	Foundation of Hungarian Communist Party
1925	First Party Congress, Vienna
1930	Second Party Congress, U.S.S.R.
1945 (May)	National Party Conference
1946 (September)	Third Party Congress
1948 (June)	Fourth Party Congress
1951 (February-March)	Fifth Party Congress
1954 (May)	Sixth Party Congress
1957 (June)	National Party Conference
1959 (November-December)	Seventh Party Congress
1962 (November)	Eighth Party Congress
1966 (November-December)	Ninth Party Congress
1970 (November)	Tenth Party Congress

The statutes stipulate that the Party Congress hears the reports of the Central Committee; ratifies or modifies the party program; instructs the party on tactical and organizational matters; issues directives for party policy, tactics, and organization; and elects the members of the Central Committee. In practice, however, the principal role of the congress is to endorse policies already formulated by the Politburo and the Central Committee. Moreover, the membership of the party's ruling organs, theoretically elected by the congress, is actually determined by the party leader and his chief lieutenants who constitute the Politburo, the actual focal point of political power.

The dates and agenda of the Party Congress must be made public at least 1½ months before the congress meets but are usually announced far in advance. The Central Committee establishes the number of voting and nonvoting delegates, but the ratio of delegates to party members is not specified in the statutes. At past congresses one delegate was chosen for every 600 party members. Until the Ninth Party Congress, the central party apparatus handpicked the delegates in consultation with local party officials; the "delegates" then were elected unanimously by local organizations. Just before the Ninth Party Congress, however, party

cells were instructed to appoint nominating committees charged with drawing up slates of delegates and new officers for each organization. Budapest assured the local party units that members of the central apparatus would not try to influence "the details" of such nominations, although central authorities presumably retained final veto power over the delegates. At the Tenth Party Congress, the party passed changes in the party statutes which provide for secret ballots in all party elections, presumably to include elections for congress delegates.

(2) *Central Committee*—Between Party Congresses, the Central Committee is charged with the direction of party affairs and represents the party in its relations with other Communist parties, mass organizations, and the state administration. It theoretically elects the members of the Politburo and the Central Control Committee, and supervises the party press and selects its editors-in-chief. The Central Committee is required by statute to meet at least once every 3 months, though this has not always been observed in practice.

The decisionmaking power of the Central Committee is limited, although individual members of the committee can wield significant political influence. In general, it functions like the Party Congress in giving *pro forma* approval to measures proposed by the Politburo. There have been indications in recent years, however, that Kadar has encountered occasional opposition in the Central Committee, and stormy debates have taken place during secret plenary sessions. There is no public reflection of this dissension, however; resolutions of the Central Committee are invariably reported as unanimously approved, regardless of the controversy behind the scenes. Individual members of the Central Committee can submit written proposals for modifying recommendations of the Politburo or they can submit entirely new proposals. They also can enlarge the plenary session agenda by adding topics not suggested by the Secretariat. In practice, however, the Central Committee rarely uses these powers because of the difficulty of securing a majority vote on issues contrary to the party leaders' wishes. On the rare occasions when such open conflicts do appear, a secret vote may be requested, but the Central Committee must first approve by open vote the motion to hold a secret vote.

The Central Committee reportedly often invites nonparty experts to testify before it but never on matters of internal party importance. Since Kadar's successful convocation of the first joint party and government meeting in 1969, the Central Committee has met in joint session with the government several

other times; this innovation promises to become a regular feature of regime activity.

The personnel makeup of the Central Committee elected at the Tenth Party Congress shows a preponderance of central party and government functionaries. Some slots on the Central Committee are filled by party representatives of individual interest groups such as workers, factory management, the arts and sciences, etc. The average age of Central Committee members is around 50; there are no representatives of the under-40 age group (which reached maturity after the 1956 revolt). The size of the Central Committee has grown gradually but steadily since the sharp decrease in its membership after the 1956 revolt. Candidate membership was abolished by the Ninth Party Congress.

The size of the Central Committee since 1951 is as follows:

	FULL MEMBERS	CANDIDATE MEMBERS	TOTAL
1951 (Fifth Party Congress) ..	71	19	90
1954 (Sixth Party Congress) ..	71	19	90
1956 (Prerevolt) .....	78	25	103
1956 (Postrevolt) .....	23	...	23
1957 (February Central Com- mittee session) .....	37	...	37
1957 (June Party Conference)	53	9	62
1959 (Seventh Party Congress)	71	23	94
1962 (Eighth Party Congress)	81	39	120
1966 (Ninth Party Congress) .	101	...	101
1970 (Tenth Party Congress) .	103	...	103

(3) *Politburo*—The locus of power in the HSWP is in the Political Committee, commonly called the Politburo, whose members are the dominant political figures of the country. According to the party statutes, the Politburo is charged with the conduct of party affairs between meetings of the Central Committee and elects a Secretariat to control the execution of its directives. In practice, the Politburo exercises complete control over the party and government and formulates all national policies.

Since November 1970 there have been 13 members in the Politburo. (Alternate membership was eliminated at the Tenth Party Congress.) With the exception of party chief Kadar, each member is responsible for supervision of party and government affairs in a particular sphere, such as agriculture, trade unions, and agitation and propaganda activities (Figure 8). Politburo control of the party is exercised through the Secretariat (four full Politburo members also are members of the Secretariat), and control of the government is maintained through a variety of channels, especially the Council of Ministers (two of the five members of the "presidium" of the Council of

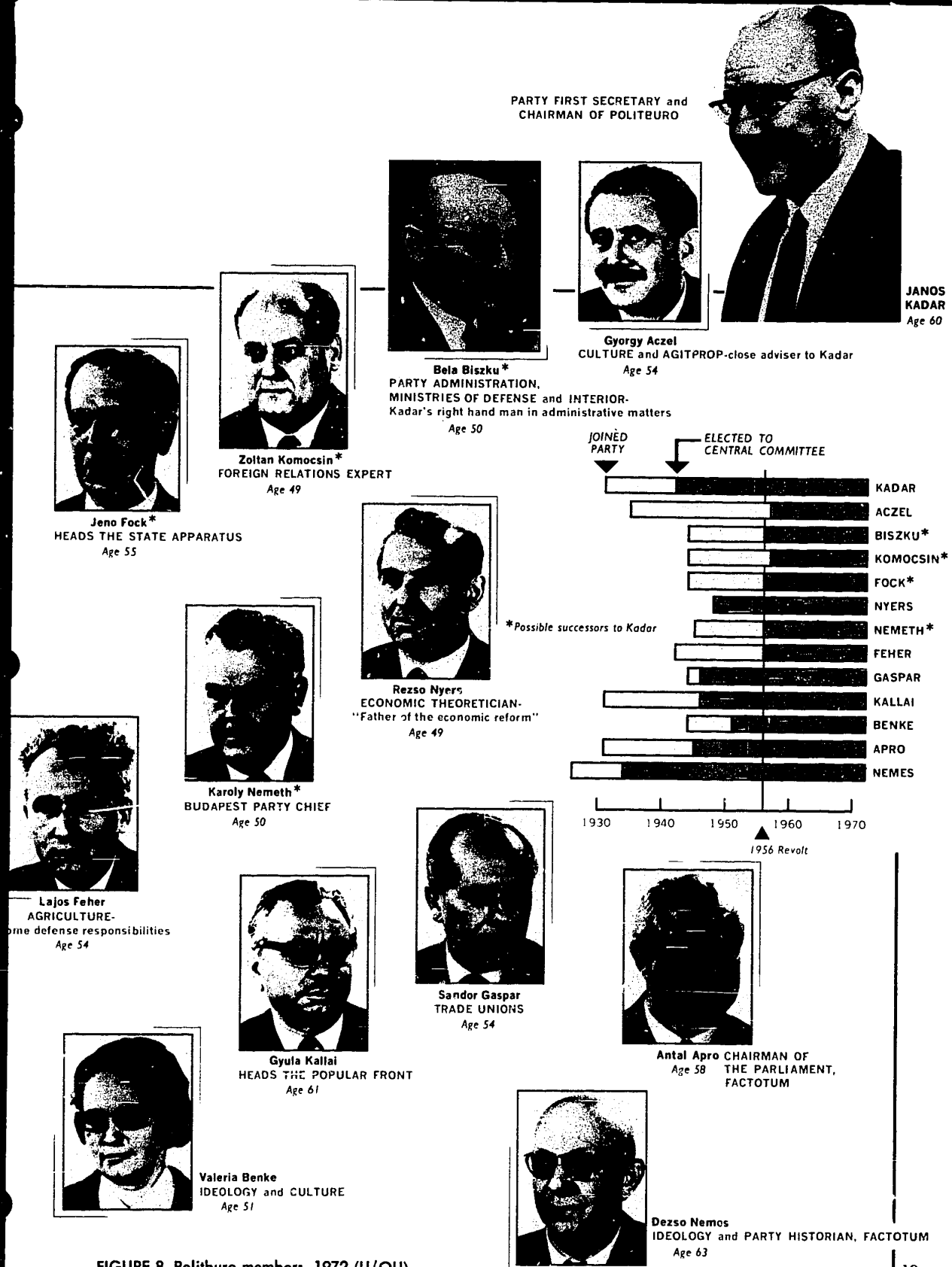


FIGURE 8. Politburo members, 1972 (U/OU)

Ministers and four of the 21 members of the Presidential Council are Politburo members).

(4) *Secretariat*—The second most important party executive agency is the Secretariat, whose members are elected by the Politburo. According to the party statutes, the Secretariat controls the execution of resolutions of leading party organs, directs the departments of the Central Committee, and assigns tasks to cadres under its control. It also “elects” the First Secretary of the Central Committee. Its functions are thus administrative rather than policymaking, i.e., it sees to it that the policies formulated by the Politburo are carried out.

The Secretariat has five members, not including First Secretary Kadar. Each member of the Secretariat is responsible for a particular area of activity and for one department or more of the Central Committee. At county and district levels of the party apparatus, central control is maintained by secretariats which function much the same as the highest level body. The secretariats serve as transmission belts for instructions and directives issued from the top and also check on the execution of directives at each subordinate level of party and government organization. They thus constitute a powerful medium of control over party and government institutions from the national to the village level. Each secretariat is subordinate to that immediately above and is bound under the principle of democratic centralism to execute all superior directives without question.

Nominally appended to the Central Committee—but actually responsible to the Secretariat—are a number of departments, whose functions include the administration of the party apparatus and its personnel, as well as supervising their counterparts in the government structure. These departments exercise great power in the day-to-day functioning of government and are not restricted by law except the party statutes and party regulations. Government officials are powerless to appeal or change the decisions of the Central Committee departments unless they—as party members—can get the matter to the highest levels of the party, through party rather than governmental channels.

(5) *Committees*—Three party committees, in theory directly subordinate to the Central Committee, are actually controlled by the Politburo and Secretariat and aid them in the supervision of party affairs and in the determination of party policies. These are the Central Control Committee, the National Economy Committee, and the Agitation and Propaganda Committee.

There are also five “working collectives” (dealing with policy toward farm and industrial cooperatives, cultural policy, economic policy, youth policy, and party construction). The working collectives are responsible for coordinating research in areas that might prove helpful to the Politburo in its deliberations on future policy changes. All but one of the “working collectives” are chaired by Politburo members, the exception being the youth policy group which is chaired by a member of the Secretariat.

(6) *County, district, and lower levels*—In accord with the reality of democratic centralism, the lower levels of the party are directed and supervised by the central organs. At the same time, these lower echelons are near duplicates organizationally of the higher party bodies. The smallest independent organizational unit of the party is the cell, which may be established in factories, districts, villages, farms, institutions, government offices, and units of the armed forces. At least three party members are necessary for the formation of a cell; the maximum size of a cell is not stipulated in the party statutes, and in practice varies considerably.

Despite the historical predominance of the central party apparatus, there has developed a marked disparity in political viewpoints between the party leadership, which has in recent years been taken over by relatively liberal reformers, and the makeup of the middle and lower ranges of the party membership, which are still heavily weighted with conservative bureaucrats and poorly educated functionaries. The central authorities have acknowledged this division and have taken steps to educate, whenever possible, local party members and to inject a carefully controlled liberal impetus into local party activity. Some of the worst features of local party activity (e.g., bossism, entrenched inefficiency, and protected economic chicanery by party officials) appear to have been reduced a little under pressure from the center, but the bureaucrats at lower levels are still capable of diluting or sabotaging implementation of central directives with which they disagree.

One of the measures the central party authorities have taken to modify the power of local bureaucrats is to initiate a drive for “party democracy” under which the local party membership has been encouraged to challenge bureaucratic cliques. Under new statutory procedures, officers are elected by secret ballot of the cell membership rather than by arbitrary selection. Although the nomination procedure is still subject to pressure from above, the party membership has the power to veto nominations by use of the secret ballot and a newly gained right to propose counter-

candidates for local offices. A two-thirds majority is needed to endorse a local counter-candidacy. In practice, this will be difficult to achieve since only rarely will such a large majority of any party organization defy the local apparatus. Nevertheless, the threat of political challenges from the rank and file is a new factor in local politics.

#### *b. Membership*

As of June 1971, membership in the HSWP was 693,879, or around 13% of those 18 years or older and 6% of the total population. In 1970, the social makeup of the party membership reflected a continuing decline in the number of workers, who constituted only 42.7% of the party membership. The party has admitted that workers, who are predominant among the oldest party members, were retiring and dying faster than new recruits could be added. This decline stands in prominent contrast to the growing percentage of "intellectual" (white-collar) workers in the party. In 1970, 38.1% of the party were white-collar workers, who threaten eventually to outnumber the lagging proletarian contingent. There is also a glaring disproportion between the numbers of party members who joined before the Communist takeover (around 15%) and their almost total domination of top party posts. In 1970 there were only 9,000 members left of those who joined in the prewar period; within the decade this group will all but disappear.

Party leaders have tried unsuccessfully over the years to maintain a membership makeup roughly representative of the social spectrum of the nation. Thus, there have been periodic drives to attract women, agricultural workers, or young people to redress imbalances favoring male industrial workers and white-collar workers of middle age. To this end, the Tenth Party Congress lowered the eligibility age for membership to 18 years. Despite concern with keeping the worker-intellectual balance in favor of the workers, standards for entry into the party still favor those with more education and political sophistication. Moreover, the more highly trained white-collar entrants into the party tend to make their careers in the central party and government apparatus, or in factory management. This tends to leave posts on the lower levels of the party and in the mass organizations to older party workers and to those members who share their generally conservative outlook. Clashes of interest between these groups have been kept within bounds by Kadar, but there is clearly friction.

The historical trends in party membership show fairly stable growth patterns throughout Kadar's rule. The sharp reductions in 1949 and 1956 are

attributable to Rakosi's purge of Social Democrats and the collapse of the Communist party after the 1956 revolt. In the 1960's, party membership grew at a steady rate of 3.5% per year, but, from 1970 to 1971, party recruitment accelerated to an annual rate of 4.5%. Propaganda claims of an increasing popular appreciation for the party's program, however, fail to mention that a similar increase in membership occurred during the period of the Ninth Party Congress, but declined thereafter. Party membership statistics for representative years between 1947 and 1971 are shown in the following tabulation:

YEAR	MEMBERS AND CANDIDATE MEMBERS
1947 (January)	650,000
1948 (January)	1,500,000
1949 (January)	1,000,000
1951 (February)	862,114
1954 (May)	864,607
1956 (September)	900,000
1956 (December)	102,000
1957 (June)	345,733
1959 (November)	437,956
1962 (September)	511,965
1964 (January)	530,000
1965 (April)	540,000
1966 (January)	550,000
1966 (November)	585,000
1968 (January)	600,000
1970 (June)	662,397
1971 (June)	693,879

#### *c. The decisionmaking process*

Despite the highly centralized character and concentrated power of the Communist party, the regime works in very cautious ways in determining national policy. Whenever possible, i.e., whenever Soviet interests or internal party interests do not predominate, the regime seeks expert advice and objective information on the probable popular reaction, and often adjusts its policy decisions accordingly. Furthermore, the party leaders in Budapest have gone on record as being unable to decide every minor issue throughout the nation and have increasingly delegated authority to local government. Nevertheless, there is no question of the party's primacy in determining national policies, nor has the party abrogated its ultimate right to intervene at any level.

(1) *Procedure*—The highest political authority in Hungary, the Political Committee, or Politburo, meets every other Tuesday under Kadar's chairmanship. In theory the agenda is prepared by the Secretariat, but in reality it is controlled and approved for submission to the Politburo by Bela Biszku, a trusted Kadar

lieutenant who also chairs Politburo sessions in Kadar's absence. The Politburo may request the Secretariat to prepare a specific report for its consideration, but the bulk of the reports submitted are on regularly scheduled and periodically recurring matters. Some topics that appear in such a regular fashion are annual reports on the status of the party, the defense profile of the country, the annual and long-range economic plan, and the status of relations with the Soviet Union and other major powers.

The Secretariat's role in top-level decisionmaking is a significant but not always decisive factor. Under Biszku's supervision, the Secretariat taps pertinent Central Committee departments for information inputs to the working draft of a report. The draft is circulated to pertinent party and government officials who make comments and suggest revisions. The report is then revised and submitted for review to the Politburo member primarily responsible for the matter under consideration. The report is then distributed to the rest of the Politburo members sufficiently in advance of the biweekly Tuesday session to permit them to study its contents. If there are sharp differences on the proposed report in the coordination process, multiple proposals and options may be sent to the Politburo for consideration.

When the Politburo meets, it frequently calls for the nonvoting participation of experts from outside its membership; even non-Communist ministers or lower level government functionaries participate in this fashion. The proposal or proposals are tabled for discussion and each Politburo member who wishes speaks out on the issue. The Politburo member presenting the proposal has functional responsibility for the issue discussed, and his views carry considerable weight. Nevertheless, when the matter discussed affects another member's area of responsibility, controversy often ensues. When Kadar or Biszku chairs the Politburo session the modus operandi reportedly is flexible enough to allow such debates to range freely, with the chairman stepping in only to resolve deadlocks. Sometimes reports are shelved indefinitely, or sent back to the Secretariat for further work. When action is agreed upon, a vote is taken. The trend of such voting is toward unanimous approval or disapproval, but individuals have registered disapproval of a passed proposal by refusing to withdraw their earlier objections to it. Approved drafts are sent back to the Secretariat which then disseminates them to the government and party bodies responsible for implementation.

All Politburo actions become binding on the party immediately, even though they must be submitted to the Central Committee for review. If the Politburo

fails to agree on a measure, or if there is significant and determined opposition, the party leaders may choose to take the issue before the whole Central Committee. These hotly debated meetings are usually held in secret. The vast majority of Central Committee sessions, however, are routine and end in unanimous votes favoring Politburo actions.

(2) *Important external influences*—Chief among these influences is "socialist internationalism," an esoteric slogan often cited by Kadar and company as meaning a "principled" point of view on national policy which requires Hungary to gauge its actions closely to what the rest of the Warsaw Pact is doing or will accept. In fact, this principle is nothing more than a cloak for the political limitations imposed on Budapest by Moscow. The most glaring example of such interference is the continuing restrictions placed on Budapest's announced desire to establish diplomatic relations with West Germany. Such policy limitations chafe the Hungarians, and Kadar's fatalistic aphorism that "You can't change geography" does not ease the sting to Magyar pride.

Occasionally, complaints about specific Hungarian domestic policies are directed at Budapest by Moscow and in some cases by their more zealous followers in Eastern Europe. Most often such complaints are sent through diplomatic or formal party channels, but there are occasional, polemical "discussions" in the open press which serve to reveal the private disagreements. The general pattern of Hungarian reaction to such interference in domestic policy has been one combining public praise for the usefulness of such "exchanges of experience" with strong resentment of any criticism that ignores the distinctive character of Hungarian domestic problems.

Kadar is a very practical politician who fully understands the Soviet proclivity toward behind-the-scenes manipulations. In the early 1960's Kadar discovered that the Russians were attempting to use the Hungarian Embassy in Moscow as a channel to conservative party elements inside Hungary. Since then, Kadar has downgraded the role of the Hungarian Embassy in Moscow to simple "message-passing" duties, and has tried to restrict Soviet officials in Hungary from interfering in matters outside the normal scope of their official contacts. This cat-and-mouse game is cloaked by profuse protestations of loyalty and friendship for the U.S.S.R., and neither side publicly admits the existence of such measures.

Other forms of pressure are more sophisticated and more telling. Soviet problems with the Hungarian economic reform, for example, have reportedly surfaced during periodic, bilateral trade talks.

Furthermore, in 1969 Moscow increased their scrutiny of the Hungarian press and have required Budapest to send some middle and upper level party officials to the U.S.S.R. for ideological training. These moves effectively demonstrated to Kadar that the Russians are uneasy over Hungary's gradual drift toward more liberal policies. In the spring of 1972 Moscow publicly aired its concern over misplaced Hungarian nationalism, and subsequently the Soviet Union adopted a tough bargaining posture on a number of economic issues. While the dispute apparently centered on long-term economic matters—mainly the price, quantities, and terms for the delivery of Soviet raw materials—Moscow's hardline attitude, viewed in the light of Hungary's poor economic performance in 1971, was seen as another expression of Soviet difficulties with the Hungarian economic reform.

(3) *Important domestic factors*—One of the keys to Kadar's success in domestic affairs has been his determination to keep informed on the popular mood in general, and particularly on popular attitudes toward specific programs. He has made mistakes only once or twice (e.g., he badly mishandled the price rises of mid-1966), but the general run of his policy decisions are designed to avoid frontal conflicts with major sectors of society. Before the Tenth Party Congress in 1970 he ordered the creation of a "comprehensive polling system," presumably to signal popular dissatisfaction to the Politburo before it reached serious proportions. Since then, there have been several reports that basic party organizations in the outlying districts are engaged in research of popular attitudes and opinion. While such activities appear to be handled by nonparty sociological experts with professional polling skills, the results are funneled through the party apparatus where they are subject to self-serving tinkering by bureaucrats. Whether the system will work effectively remains to be seen.

Kadar also closely considers the attitudes of several major special-interest groups, such as industrial and agricultural workers, youth, and the technocracy. Reporting on the views of these groups is handled by the mass organizations and by parallel party organs. There are, however, some smaller groups with both official and unofficial status whose influence on policymaking is also significant. The Hungarian Writers Union, for example, serves as the main clearinghouse for regime contacts with intellectuals. At the same time, however, there continue to be individual intellectuals whose prestige dictates special regime handling. They are often consulted on pending major shifts in domestic policies and their advice is passed on to the highest party circles. In a more

sensitive realm, the regime also maintains contacts with some of the leaders of the old, pre-Communist, political parties who have come to accept the "reality" of Communist party control. Since many of these leaders are highly respected by the populace, particularly the older Hungarians, the regime treats them with respect and solicits their views on internal matters. This is particularly true of the old Social Democrats who joined with the Communists in the Hungarian Workers Party in 1948, but there are even some contacts with former officials of the defunct Peasant Party and Smallholder Party. The HSWP has been careful to keep a few figurehead leaders from these parties in factotum positions in the government.

## 2. Mass organizations (S)

Auxiliary or mass organizations are important instruments of Communist rule in Hungary. Acting as buffers between the party and the population, they are charged with proselytizing regime policies among the population, providing feedback on the popular mood, and organizing public demonstrations for regime purposes. Mass organizations theoretically are designed to encompass specific segments of society in rough approximation to the national class balance. Although well-known non-Communists (not anti-Communists) often occupy prominent positions in these organizations, the party retains control through the Central Committee's Department for Party and Mass Organizations and through strategic placement of party members in each organization's leadership.

As a result of the party's increasingly sophisticated methods of rule and of Kadar's national reconciliation policy, mass organizations have assumed a somewhat more democratic character than they had in the 1950's. In order to enhance the aura of growing democracy, these organizations have occasionally permitted open debates among their members and, more rarely, criticism of some minor government activity. Criticism of the party or its primacy, however, is not permitted. The growth of such legal dissent, although severely limited, has spawned premature speculation that the party will eventually develop into a primarily national policymaking body and pass to mass organizations the direction of the country on a day-to-day basis. To a certain extent the party has allowed such speculation to continue, but, in public, party leaders have firmly insisted on the inviolability of the party's dictatorial role. The lesson of the violent Soviet reaction to the denigration of party authority in Czechoslovakia in 1968 temporarily halted the expectations of increased political influence for mass organizations, but by 1972 speculation on this matter has gradually reappeared.

*a. Patriotic People's Front*

The Patriotic People's Front (PPF) was established in October 1954, the successor to the Hungarian People's Independence Front. This mass organization seeks to mobilize support for the party's program among non-Communists and party members alike, and is used by the regime as an effective vehicle for the dissemination of propaganda prior to national and local elections. HSWP membership is not a prerequisite for membership in the PPF, but the front binds its members to acknowledge that "the building of socialism . . . can only be achieved under the leadership of the party." The PPF has no independent program of its own, and all PPF declarations must be reviewed by competent party organs prior to their implementation.

Despite rumored expansions of the PPF's political role before its fourth congress in April 1968, Kadar and his lieutenants made it plain in their speeches at the PPF congress that the leading role of the party was still an essential feature of the political system, and that the front was still viewed as an extension of the party. This hard line was probably designed to nip in the bud any contagion from Czechoslovakia. In this atmosphere, the congress made few moves toward increasing the role of the PPF and instead concentrated on organizational problems. In early 1972, however, during the preparations for its fifth congress, the PPF showed signs of renewed vitality. For example, PPF leaders asked for and received a constitutionally sanctioned role in the system. Another indication of the front's expanding role is the proposal that the PPF popularize national memorials and other elements of national culture, as well as to "help safeguard the purity of the national language." This is a program with a nationalist ring that might find wide appeal among those intellectuals who have been long frustrated by what they regard as a lack of attention to national folk culture.

At the time of the fourth congress in 1968, the PPF's membership was about 130,000, approximately the same membership it had in 1958. Membership had declined below the 1964 total by about 20,000 members, a loss which probably reflects the disaffection caused by the 1965-66 austerity policy. The resolutions of the PPF's fourth congress included plans to resolve the membership problem and to increase the attraction of front membership by curtailing bureaucratic makework, increasing recruitment among nonindustrial workers, and, by implication at least, placing greater emphasis on the front as "an open social forum."

The PPF's organizational structure at the national level includes a 132-member national council which meets periodically, and a policymaking presidium made up of 23 members chosen to represent the various segments of Hungarian society. Politburo member and former Premier Gyula Kallai is the PPF chairman.

*b. Communist Youth League*

Formed in March 1957 at the direction of the HSWP Central Committee, the Communist Youth League (KISz) was established to extend party influence and indoctrination to youths between the ages of 16 and 28. Like its predecessor organizations, which were abandoned after the 1956 revolt, the KISz has generally failed to accomplish its goals, and despite a large nominal membership it remains a weak and ineffectual organization. The KISz is structured along the lines of the party apparatus; it has a first secretary, a five-member secretariat, an executive committee (analogous to the Politburo), a 105-member central committee, and central committee working departments.

Since the mid-1960's, the KISz has come under increasingly open criticism. During 1965 and 1966 some university-level KISz members publicly expressed a long-suppressed opinion that KISz should become a politically potent organization or be abandoned. After initial regime confusion in reaction to this bold demand, the party decided that the organization needed a firmer hand. At first this decision resulted only in an increase in public declarations of the party's primacy in directing the youth movement, but in October of 1968 solid moves were taken to increase the party's organizational control over the KISz. Some 13,000 members were allowed to "voluntarily" leave the movement after a politically inspired exchange of membership booklets. Since then the exchange has become an annual housekeeping chore to assure continued discipline by KISz members. Furthermore, KISz received authority to submit recommendations on applicants to higher educational institutions, a move which indirectly gives it substantial coercive power over non-KISz members as well.

In 1969 the KISz again was forced to air its internal difficulties. Although the bureaucrats controlling the organization had succeeded in turning out members adept at formal displays of loyalty, independent studies revealed serious failures in implanting "socialist patriotism" in the nation's youth. In April 1969, after several weeks of public recriminations, the head of the KISz was removed. In 1970, during the



preparations for the eighth KISz congress, half the officers of the KISz were ousted. Moreover, many of the new officers were elected directly by the membership, reportedly without extensive interference by the new central leadership. At the congress in December 1970, the KISz announced new programs that could, if implemented, reduce the long-standing organizational malaise. It is doubtful, however, that any rapid gains will result from the new activist policies. Basic disagreements within the party over youth policy still exist and this will hamper bold initiatives.

KISz membership in September of 1971 was approximately 800,000. There is a tendency among young people to use KISz membership for career purposes (i.e., educational or vocational) and then drop out when personal goals are attained. The heavy dropout rate has not always been offset by the annual influx of new members, which averages between 125,000 to 150,000. There is evidence that new admissions to KISz are now being governed by a quota system which decreases the number of university student members in favor of working youths and "youths" over 20 years of age. The KISz also has administrative control over the Pioneer Movement which coordinates youth and scouting activities for more than a million boys and girls between the ages of 7 and 14.

### c. National Trade Unions Council

Trade unions are organized into a highly centralized organization controlled by the National Trade Unions Council (SzOT). This body is closely supervised by the HSWP Politburo and by the Central Committee apparatus, and is not a trade union organization in the Western sense of the word. Membership is mandatory for industrial, government, and some services employees, and over 80% of salary and wage earners are members. Hungarian trade unions had a total of 3.5 million members in January 1971.

Until early 1966, Hungarian trade unions docilely "fulfilled all tasks assigned to them," mainly having to do with increasing output and labor productivity, as well as administering the social insurance system. The leadership of the National Trade Unions Council was composed almost entirely of conservative party functionaries whose qualifications consisted primarily of obedience to the leadership. During the intensive discussions of the economic reform in the period 1965-67, and, particularly as proposals to increase the autonomy of management came to the fore, the regime admitted that the trade unions would need a new impetus to keep them from *de facto* extinction as

a political force. The years of bureaucratic domination of the trade unions and the relatively innocuous tasks assigned them sapped the vitality of the union movement until even the regime was forced to admit that most trade union activities were "empty of content." Furthermore, practical political considerations indicated that labor reform was necessary. The workers, fearing that they would be caught in a squeeze between the increased authority of local managers and the new measures designed to increase efficiency, needed assurance that their rights would be adequately safeguarded. Conservative party critics also suggested that management's new powers would cause a return to capitalist exploitation unless there was a suitable counterbalance at the plant level. As a result of these considerations, the regime ordered the SzOT to prepare a draft of a new labor code. The SzOT's deliberations were reportedly marked by a considerable amount of open, heated debate, and, after considerable revision of the first draft of the code, it was enacted into law by the National Assembly in the fall of 1967.

Under the Labor Code of 1967, trade unions gained increased authority both in representing workers' interests and in overseeing the activities of management. They were charged with insuring management's adherence to central directives, collective contracts, and socialist principles. In addition, they were given the responsibility of negotiating collective contracts at the plant level, in place of the old practice of countrywide contracts within a given industry. The code also provided some tools for executing these tasks; specifically, the power to issue a staying veto which can set aside a managerial order until it is reviewed by higher authorities, and a consultative role in the appointment, promotion, or firing of managers. Although the right to strike was not explicitly granted by the code, it was not expressly forbidden. This official ambivalence may indicate that, under certain conditions, strikes would be permitted as a legal bargaining tool.

Despite the statutory gains it gave the trade unions, the code has had a rough transition into daily usage. The basic conservatism of trade union officials and the past history of local union officials' collaboration with management at the expense of workers' interests have worked against a smooth acceptance by trade union locals of their new role calling for greater responsiveness to workers' needs. Ineptitude is also a serious problem which has had a disruptive effect; in 1968 all the collective contracts were arrived at rather smoothly because regime officials led the local SzOT

officers by the hand, but subsequent difficulties demonstrated the inability of SzOT officials alone to cope with such complex economic activities. As a result, the central authorities, who retain control over the general thrust of collective contracts, once again have stepped in to regulate the collective bargaining process.

There is evidence that the party has increased its control over the lower echelons of SzOT in order to assure that the new authority of the trade unions is not used by political conservatives to expand their power base in the trade union movement. Concern that this might occur was partially vindicated during the preparations for the Tenth Party Congress, when conservative spokesmen used trade union journals to attack the liberal aspects of Kadar's economic and cultural programs. During preparations for the SzOT congress in March 1971 some party leaders tried in vain to suggest that more democratic procedures be used to elect SzOT officials; conservative SzOT bureaucrats successfully defeated this party challenge to their authority and engineered yet another rubberstamp election. Subsequently, complaints about SzOT's failure to heed the party's suggestions were expressed directly by the party press, but nothing more forceful was done, probably because of the party leadership's distaste for raising controversial issues in the area of worker-government relations.

The government intends to strip the trade unions of one of their primary state activities, i.e., the administration of public welfare programs such as national health insurance and retirement payments. This move is being undertaken under the slogan of "freeing the trade unions of state activity which compromises their independence," but it may in fact reflect an attempt to weaken the grip of the present SzOT bureaucracy on the organization by reducing its authority and control over large sums of money.

#### d. Other major mass organizations

The National Council of Hungarian Women (concerned with social problems directly affecting women) and the National Peace Council (a propaganda organization), both of which are increasingly merging their activities with those of the Patriotic People's Front, are two other major mass organizations. Among the more popular—and less politically oriented—mass organizations are the National Federation of Sports Associations (comprising 4,400 associations and over 900,000 members) and the Hungarian Red Cross (about 580,000 members).

Because the Hungarian people, since 1957, have become more familiar with the liberalized but still

vaguely defined limits of expression which govern their lives, they also have begun to utilize their participation in mass organizations to make their views and desires known to the regime. Although public influence on the formulation of national policies is limited, the fact that the people have a voice at all is a significant change. This trend is likely to continue as the permitted limits of expression expand with party guidance and cautious encouragement. One of the new roles of trade unions, for example, is to "inform party organs and organizations in time about the mood and opinion of the masses."

### 3. Electoral procedures (U/OU)

Only once in Hungarian history has a free and democratic election been permitted. This election, in which the Communists participated as part of a four-party coalition, was held on 4 November 1945 under the Provisional Government established at Debrecen the previous year. Despite the support of the occupying Soviet Red Army, the availability of limitless funds for campaigning, and the initiation of a land reform program designed to woo the peasants into their camp, the Communists suffered overwhelming defeat. The dominant political force during this period was the Smallholder Party, a prewar left-of-center opposition party which developed wide popular support. The failure of Communist influence in Hungary was clearly reflected in the results of the 1945 election:

		PERCENT
Smallholder Party	2,687,701	57.1
Social Democrats	819,824	17.4
Communists	797,736	17.0
National Peasant Party	323,817	6.9
Democrats	76,188	1.6
Valid votes cast	4,705,266	100

In the ensuing months the Communists used a combination of terrorism and political maneuvering to eliminate opposition parties; a National Independence Front, which eventually came under Communist control, was organized in opposition to the Smallholder Party, and intensive attacks were staged against Smallholder leaders. By mid-1947 the Communists had *de facto* control of the government and forced passage of an electoral law which permitted the Communist-controlled front to withhold recognition from parties, to disqualify candidates, to manipulate voting lists, to permit multiple voting by Communist supporters, and to gerrymander election districts.

In the election of August 1947 the Communist-dominated government coalition received 61% of the vote, but Communist candidates received only 22.3%; the Smallholder Party vote was reduced from its absolute majority in 1945 to 15.4% of the vote. In subsequent elections only party-approved candidates appeared on the ballot, and only a single list of candidates was presented to voters. Opposition political parties were further eliminated through the passage in April 1949 of an electoral law which disenfranchised all those who were politically suspect (i.e., anti-Communist). The Independent People's Front, which had been organized under the direction of the Communists in February 1949 to replace the National Independence Front, embraced the remnants of all the political parties and was totally subservient to the aims of the Communists. The results of the elections of 15 May 1949 and subsequent elections are listed in Figure 9.

In December 1952 the voting age was lowered from 21 to 18, and the following year a new electoral law provided for representation according to the number of inhabitants of an electoral district, on the ratio of one delegate to the Parliament per 32,000 inhabitants. In September 1958, electoral districts were permitted to name an additional delegate for at least 16,000 inhabitants in excess of a multiple of 32,000. The 1958 law also provided that national and local elections be held simultaneously.

The Independent People's Front was supplanted in October 1954 by the Patriotic People's Front, which eliminated all participation by non-Communist political parties in the electoral process. The front, headed by Presidential Council President Kallai, has no independent program of its own and merely follows the instructions of the party hierarchy. Party membership is not a requirement either for membership in the front or for candidacy in an election, but candidates must be approved by the front, and thus by the party. The front also embraces all mass organizations, which combine their efforts to insure maximum participation in elections. As a result, over 95% of the eligible voters usually participate in Hungarian elections.

Before 1967 the ballot normally consisted of a single list of party-approved candidates, which the voter endorsed by casting his ballot unmarked; he could cast a negative vote by crossing off the name of the candidate, but could not legally write in another name. In some local elections in 1964 and 1965 the front permitted the nomination of more than one candidate for each office, although all candidates were still subject to party approval. In a few instances in village or district council elections voters have rejected the front candidate; for example, in 1958, 91 out of 89,192 official candidates were rejected, and, in 1963, 149 out of 105,000 candidates were not elected. In these constituencies, supplementary elections were called.

An electoral reform in 1967 provided a more liberal election process which did away with the single, national slate ballot and instituted ballots for individual constituencies. The election reform also included an extension of multiple candidacies, from the local to the national level. These reforms were heralded as steps toward democratization; in fact, they were stillborn due to the negative influence of party conservatives who allowed no real choice in the nomination process, and to the apathy of the people who ignored the reform from the start and passively reelected all the "official" candidates. In the fall of 1970, a new Election Law was passed which retained the provisions of the 1967 changes and added a new factor, popular nominations. Under this provision, a simple majority of an open nomination meeting may nominate one candidate or more to run against the official candidate. The law also vaguely promises that all candidates will receive "equal opportunity" in their access to press coverage of their candidacies. In practice, however, the law's failure to spell out how this equality is to be accomplished makes this provision a dead letter. The Popular Front candidates are still clearly identified as being officially approved, an endorsement which usually has proven to be decisive. The law still bans any candidate "hostile to the socialist system," and proscribes formation of new political parties. Individual popularly nominated candidates, therefore, are essentially running alone

FIGURE 9. Results of Hungarian elections, 1949-71 (U/OU)

	1949	1953	1958	1963	1967	1971
Total votes cast.....	5,731,000	6,371,337	6,493,680	6,915,644	7,131,151	7,334,198
Votes for PPF candidates.....	5,479,000	6,256,653	6,431,832	6,813,058	7,086,596	7,260,856
Percent of total.....	95.6	98.2	99.6	98.9	99.7	98.0
Opposition votes.....	165,000	61,257	28,651	75,777	19,113	} 76,275
Invalid votes.....	87,000	52,609	32,010	26,809	25,442	

against the system. One unqualified improvement in the new election law is the abrogation of the former practice whereby "protest" ballots, returned without being marked, were counted as votes for the official candidate.

In the first test of the new electoral law in the national elections of 1971, only 14% of the 352 parliamentary seats were contested, and many of these "contests" were prearranged by PPF ward officials. There were, however, some interesting side effects to the popular nomination system. Several ranking party officials who had lost touch with their parliamentary constituents chose to change districts rather than face potential challenges that would seriously embarrass them. At the same time, the party assigned tough districts to some of its more popular figures (for example, Premier Fock was tested in the mining district of Tatabanya where layoffs several years before had left an ugly mood). There were more contests, however, in local government elections, where local interest came into play and where the activities of the Popular Front were less vigorous than they were on the national level. The elections of 1971 were the last in which balloting for Parliament and for local government was simultaneous. In the future, the respective quadriennial elections will be held 2 years apart to ease administrative burdens.

#### D. National policies

Hungarian national policies as formulated by the nation's Communist leaders are basically designed to serve four goals: to maintain and strengthen Communist rule, to sustain themselves in power, to preserve domestic stability, and to maintain good relations with the U.S.S.R. The Hungarian leaders have learned, however, that the preservation of domestic stability sometimes conflicts with their other major policy goals. The revolt of 1956 demonstrated that the Magyar people will not tolerate a blind imposition of Soviet models on the country. Moreover, the Kadar regime's practical experience with the residue of Stalinist inertia that still pervades the system has also led the political leadership increasingly to reject the applicability of Soviet methods to Hungarian conditions. As a result, the HSWP under Kadar has embarked on a course of adapting the Marxist-Leninist system to Hungarian realities and to the demands of a modern Communist state. (C)

Because of the need to maintain the good will of the Soviet leaders, the Hungarian leadership's innovations have been necessarily cautious, piecemeal ventures into reform, avoiding rash, and potentially disrupting

moves. Nevertheless, Kadar has gradually developed a complex of domestic policies designed to create conditions for a controlled evolution toward a viable and more popular form of communism in Hungary. To this end, the regime has emphasized the need to enlist popular participation in the system, but without compromising the party's monopoly of power. This is but one of the internal inconsistencies of Kadar's paternalistic reformism. The many pitfalls still awaiting him do not promise easy or certain success, particularly as the party enters the extremely sensitive area of political reform. (C)

At least for the present, however, Kadar seems to have an array of proven domestic policies that have made Hungary the most stable of the Eastern European Communist regimes. Looking ahead, Kadar may be hoping that the atmosphere of imminent change in Europe will eventually ease tensions and open new opportunities for the economic and political development of the country. The Hungarian leaders and people realize they are virtually powerless to affect Moscow's European policy—which they are necessarily committed to follow—but, within the limits of this policy, they have attempted to open new contacts with the West that might be translated to Hungarian advantage. For the most part, this effort has been focused on expanded trade and economic development. Given the reality of Soviet strategic interests in Eastern Europe and the ultimate dependence of Hungary's leaders on Soviet political support, few Hungarians entertain the hope that their country will play a major role in European or international politics within the foreseeable future. (C)

##### 1. Domestic (C)

Over the years Kadar has increasingly turned to four basic policy props in maintaining domestic stability. The catchwords for these policies are: "national reconciliation," "the worker-peasant alliance," "safeguarding improvements in the standard of living," and gradual expansions of "socialist democracy." In the aggregate, these policies are designed to create a political system which averts serious internal stress, wins the cooperation of the maximum number of Hungarians without sacrificing Communist goals or incurring Soviet wrath, and reduces the backlog of mass hostility and suspicion toward the regime. Spectacular liberal advances have been ruled out by the gradualism of Kadar's programs and progress often seems unbearably slow. Occasional reverses or shifting of gears to match external pressures also confuse the population's understanding of where the regime is going. The process is nerve-eroding, to

FIGURE 10. Legislative schedule for domestic reforms, 1971-74 (U/OU)

GENERAL AREA	PROPOSED ACT	WHEN SCHEDULED	SIGNIFICANCE
Government.....	New Local Council Law.....	*Spring 1971	To decentralize authority to local government.
	Constitutional amendments.....	*1971	The first major overhaul of the 1948 Constitution.
Judiciary.....	Judicial Reform.....	*1972	Modernization of jurisdictional structure and legal procedure. To include a critical review of "political crimes."
	Amendments to Civil Law.....	1973	Modernization of 1959 law on citizens' rights and duties.
Economy.....	Uniform Cooperative Law.....	*1971	Legal delineation of cooperatives' independent authority and relationship to central ministries.
	Law on the Economic Plan.....	1973	Codification of the new relationship between enterprise independence and central planning in the economy.
	Enterprise law.....	1973	First legal delineation of rights and duties of factory management in relation to central ministries, local government, and trade unions.
Social Programs.....	Youth Law.....	*1971	"Youth constitution," cataloguing rights and social responsibilities of youth, and responsibility of social organs to young people.
	Social Insurance Law.....	**1972	Simplification of existing miasma of welfare (social insurance) legislation.
	Family Law.....	1973	Amendments modernizing existing law, to take account of changes in women's rights, adoption, alimony, paternity, and child guardianship.
	Public Education Law.....	1974	Legal basis for a sweeping reform of the educational system called for at the Tenth Party Congress.

\*Passed.

\*\*Partially completed.

which the perpetually pessimistic rumors in Budapest can attest. Nevertheless, Kadar has managed to maintain a sufficiently consistent forward momentum to reassure the people that there will be no violent return to Stalinist policies and that indeed the future may not be totally bleak. Kadar's program of gradual domestic reform is outlined in Figure 10.

#### a. National reconciliation

Originally initiated as a means of reconciling the Magyars to postrevolt political realities, Kadar's national reconciliation policy has become a permanent fixture of his ruling style. It is most clearly expressed in his homily, "He who is not against us is with us." Essentially, this means that Hungarians can have private reservations about communism, can have a politically "compromised" personal history, and can even pursue personal life styles (including religious activity, careerism, and other forms of mild "hostile activity") without being classified as enemies of the state. They cannot, however, actively oppose or encourage others to oppose the existing system. While far from a bill of rights, this policy in practice has

meant that non-Communist Hungarians need not view themselves as exiles in their own country. Their children can receive higher education based on their ability to compete for the relatively few openings in such institutions. They can also attain fairly high positions—although rarely the top of their professions—without selling out their personal beliefs or mindlessly parroting the party line.

A corollary to this principle is the regime's adage that Communists should fight against hostile ideas, not people. The most dramatic evidence of the implementation of this dictum is the complete lack of a cultural martyr figure in Hungary, such as Yury Daniel in the U.S.S.R. Hungarian writers who choose to remain outside the system may lose the sponsorship of a publishing house, and may have fewer copies of their work published, but they are neither persecuted nor jailed. The entire cultural milieu reflects a considerable degree of official tolerance. Writers are not required to belong to the writers union in order that their works be published, and individuals can personally finance limited publications of works on "safe" (nonpolitical) themes, i.e., a form of officially

sanctioned private publication. There is no longer a comprehensive state censorship organ, and individual publishers bear responsibility for what they print.

The most glaring failure of Kadar's reconciliation policy is his inability to satisfy the Magyars' nationalistic longings. There are frequent debates in the public media over the ill effects of neglecting Magyar national consciousness; some have provided stinging criticism of regime officials who automatically condemn even innocuous expressions of national pride as unhealthy bourgeois nationalism. The regime has even been directly accused of "losing" the current generation of young people, and there has been alarmist speculation over the declining willingness of the youth to continue the fight for national survival. Kadar, however, is immobilized by his fears of a resurgence of the anti-Soviet nationalism that exploded during the 1956 revolt and by the awareness that unchecked Magyar nationalism would be a serious destabilizing factor for Hungary's neighbors as well. He has yet to find a successful way to channel nationalist fervor in a politically benign direction.

The policy of national reconciliation has been opposed by some among the party rank and file, especially those who remember well the privileges they enjoyed under Rakosi's Stalinist regime. At both the Eighth and Ninth Party Congresses, there was pronounced grumbling about the declining popular esteem for party members. During the Tenth Party Congress some spokesmen for this viewpoint even publicly charged that party membership was becoming a liability. Kadar, however, has been able to handle these complaints readily and has shown no inclination to change his overall policy.

#### *b. The worker-peasant alliance*

The Communist system's traditional bias in favor of urban industrial workers over the peasantry had an especially disruptive effect during the early years of the Communist rule in Hungary. Although farm workers were nominally given an important role to play in the Rakosi regime's plans for national development, they soon found that their interests and those of agriculture as a whole were to be subordinated to the rapid industrialization program dictated by Moscow. Investment in agriculture was skimpy and mechanization lagged. To make matters worse, the standard of living of farmers declined, even in comparison with the sagging standard of living of industrial workers. Furthermore, the party attempted, in open abrogation of constitutional guarantees, to force collectivization of land on the unwilling peasantry. Meeting with overt resistance, Rakosi

turned loose the secret police on the landed peasants and, in line with Soviet practice, encouraged urban hostility toward the countryside.

Imre Nagy's New Course tried to correct these errors but without effective long-range impact. The question of agriculture was left unresolved until the late 1950's when Kadar capitalized on the dispirited morale of the postrevolt period by implementing forced collectivization throughout the country. Unlike previous efforts at collectivization, Kadar's drive met no organized opposition. After collectivization was completed in 1961-62 and the Stalinists who were responsible for earlier policies were purged, the regime undertook a basic review of the agricultural situation and initiated important new measures.

Kadar's main goal was to equalize the peasants' standard of living with that of the industrial proletariat. He accomplished this by increasing investments in farm mechanization, by easing the crushing debts of the collective farms, by gradually raising farm wages, and by extending welfare benefits to cover the peasants. By 1970 the regime claimed that industrial and agricultural wages had been almost equalized. The government nevertheless admits the existence of pockets of extreme rural poverty (as in Szabolcs-Szatmar county which is known as "the Hungarian Sicily") and the availability and quality of rural hospitals, schools, and cultural facilities is still far behind that of urban areas. Progress, however, has been made, and, despite the habitual grumbling and romantic longings for their private farms, the lot of the Hungarian peasantry is noticeably improving.

Kadar's agricultural policy also has its detractors. Because it has resulted in higher food prices and has enabled the farmers to improve their standard of living at a faster rate than the industrial workers, there are frequent charges that the party is coddling the peasantry. Remaining Stalinist elements in the party also insist that the officially encouraged and extensive cultivation of private plots by the peasants has seriously compromised ideological principles. Party and government leaders have rejected such accusations, emphasizing how essential the contribution of the private plots was for meeting increased consumption demands and balancing the nation's foreign trade. At the same time, however, Premier Fock has indicated that, as wage parity approaches reality, the peasants' rapid gains will slow down and that the peasants' rate of economic progress will be the same as that of the industrial proletariat in the foreseeable future.

The regime, by passing a new Cooperative Law in 1971, has attempted to reassure the peasants that there

will be no return to exploitative agricultural policies. The essence of the law is to give the collective farms (owned jointly by the members instead of by the state as are state farms and national industries) the same legal rights vis-a-vis the state as state enterprises. Cooperatives thus are able to borrow development funds more easily than in the past, and are at least legally freed of the ideological prejudice which cast them as an undesirable and temporary halfway measure between capitalism and communism.

*c. Safeguarding improvements in the standard of living*

This policy is the bread and butter side of Kadar's conciliatory programs and is probably the most essential aspect of his total program. Mocked as "goulash communism," by orthodox Communist zealots, it has nevertheless paid large dividends in avoiding situations like the 1970 Polish workers' strikes which resulted in the ouster of the Gomulka regime.

Hungary has paid a bitter price for the neglect of the people's material needs by the pre-1956 leadership. Rakosi's irresponsible and unsound economic policies often were salvaged by tapping funds that were earmarked for improving the standard of living. Immediately after the revolt some moves were made to improve living standards, but these were *ad hoc* measures that did not have a lasting impact on total economic policy. Some leaders did demand sweeping reform, but reconstruction itself was not far enough advanced to permit serious experimentation. As Kadar consolidated his personal power in the early 1960's, he depended heavily on increased consumer satisfaction as a prop for his programs. He also found that the nation's limited resources could not continue supporting both industrial investment and sizable standard of living increases. Refusing to trade off either future economic development or popular satisfactions, the party ordered a comprehensive study of the economy and drafted several younger economic experts into the leadership to oversee the effort. The results of the studies in 1962-64 were alarming; tremendous waste and inefficiency were documented and, according to the nation's best economists, economic stagnation or even reverses loomed for the 1970's. Wide-ranging economic reforms were advised and, by 1965, specific plans were under scrutiny.

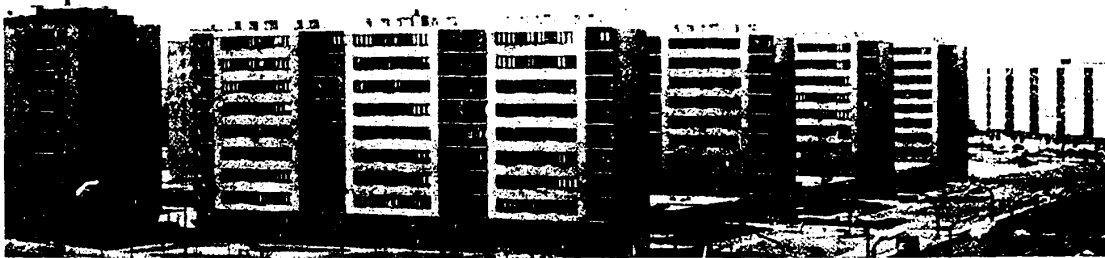
Proof that changes were needed was not long in coming. In 1966 the clumsy way in which the regime implemented needed food price rises added to its problems. By the end of the year, Kadar's budding popularity was undermined as workers realized that the price rises resulted in a net decline in their real

incomes, and grumbling spread throughout the country. Trade union officials subsequently made official representations to the regime, insisting that any similar moves in the future be limited to a slowdown in the planned rate of increase in the levels of living. The position was adopted as regime policy.

The New Economic Mechanism (NEM) introduced in January 1968 is essentially an attempt by the regime to reduce inefficiency in the economy by allowing daily operational decisions to be made at the local level. It also involves a greater dependence by the central government on fiscal controls in its supervision of overall economic performance. The economic plans have become less didactic and now serve more as indicators of the regime's expectations than as detailed marching orders for the national economy. Market forces, in limited dosages, have been permitted to operate in the economy. The reform was carefully designed so that, during its introduction, disruptive effects on real income would be minimized. In fact, consumer spending during the first 3 years of the reform grew rapidly.

There have been and continue to be problems with the reform. A wage and cost spiral has begun, a phenomenon that is disturbing to those Hungarians on the bottom of the economic scale. Because the specter of a wage-price spiral is so alarming and because of the need to keep production (wage) costs down, a dramatic increase in the standard of living through increased wages is not to be expected. Wage increases related to increases in productivity will occur, but the major increase in the standard of living has and will continue to come about through increased availability of consumer goods—housing in the first place (Figure 11), appliances, automobiles, better clothing, wider selection of food items, more recreation possibilities, a reduced work week, and the like. Furthermore, individual entrepreneurs took advantage of gaps in the reform legislation to enrich themselves by amassing quick fortunes through speculation. The regime was unwilling to tolerate such glaring contravention of Communist ideological principles and, under pressure from trade unions, began in early 1972 to tax excessive profits heavily and to limit speculative practices.

The economic reform has also encountered other problems, mainly as a result of Hungary's overwhelming dependence on trade. A negative trade balance for 1971 was caused by dual problems: increased Hungarian imports of goods from the West and a simultaneous downturn in Western Europe's imports of Hungarian agricultural products. One of the nation's most chronic problems—housing



**FIGURE 11.** Part of the Lagymanyos housing estate in the 11th District of the Budapest metropolitan area. Five thousand new 1-, 2-, and 3-bedroom apartments were built at Lagymanyos between 1961 and 1970. (U/OU)

construction—is the subject of a frontal assault in the 1971-75 5-year plan. Since adoption of the plan there has been a dramatic increase (400,000 units, as opposed to the 315,000 of the 1966-70 plan) in construction investment and, as a result, in related imports. This and other necessary investments—such as modernization of the obsolete textile industry—impose serious limits on investment capital and require heavy imports that contribute to the trade imbalance. Furthermore, the reform has aggravated the chronic strains on limited investment capital. These pressures combined in 1971-72 to bring about the most serious test of the economic reform to date. In late 1971, Premier Fock, speaking for the regime, conceded that the problems were worrisome but indicated that only a few adjustments to the NEM were required; he asserted that there was to be no question of abandoning the reforms.

#### *d. Expanding socialist democracy*

Kadar's diffident political tinkering with minor democratic reforms appears irresolute and half-hearted to both Western and some Hungarian observers. Kadar is indeed cautious, but, since there is no working example of successful reformism in the Soviet orbit, he is charting new ground even with his half steps. Since there are aspects of other Eastern European political systems applicable to the Hungarian situation, Kadar and his lieutenants have selectively used some foreign Communist models, but adapted to suit Hungarian conditions. For example, Hungary has used the Polish experience with electoral reforms to good effect and, although Kadar strictly denies it, the Yugoslav experience with self-management (with the exception of workers councils) has had a distinct influence on the Hungarians' own "self-government" theories.

The ongoing debate in Hungary over the democratic content of Communist institutional forms is not wholly new. Imre Nagy, whom biographers often erroneously classify as one of the most radical exponents of democracy in the Communist system, was himself of two minds about the problem. In his treatise *On Communism*, written in 1955, Nagy said that socialism could only be built "by utilizing democratic forms and methods in the interest of close cooperation on the widest possible scale with the masses of working people." This pragmatic, tactical espousal of democracy as a means to an end, rather than a dedication to it as an end in itself, still prevails in Hungary, although its proponents are sometimes temporarily silenced by such events as the 1956 Hungarian revolt and the Warsaw Pact invasion of Czechoslovakia in 1968.

Kadar's specific plans regarding political reform are unclear and constantly changing. Despite changes in tack, however, the overall program retains a consistent direction and its general goals are slowly becoming clearer. Like Nagy, Kadar believes that widening his regime's popular base is "the only way" to foster socialism in Hungary. He differs with Nagy, however, in his more gradualist approach to necessary changes. Kadar wants to be sure that the character and timing of policy changes are both correct before he acts, because he realizes that a single major miscalculation could set back or even destroy his total program. Thus, even after deciding on a new aspect of his political reform, Kadar and his lieutenants submit the decision to extensive and continuing political review.

There are often problems that arise because of pressure from some of Kadar's allies who distrust reformist programs and are essentially afraid that Kadar's methodology might "contaminate" their countries. Since these pressures are usually couched in



Marxist-Leninist cant, and because Kadar does not want his reforms to become a public issue dividing the Warsaw Pact, he often defers to these critics by ordering a temporary retreat in a specific policy.

There are some specific interest groups in the nation to which Kadar is still loathe to make even limited concessions. The churches, and particularly the Roman Catholic Church, are still subject to systematic regime harassment. The Catholic clergy's history of rigid opposition to Communist rule and their continuing refusal to stop proselytizing among the nation's youth have tended to perpetuate church-state frictions. The regime's policy is diversified, however, in that it does not strike at believers but at the organizational core of the church--the parish priest and his superiors. Kadar avoids major hostile actions against the clergy because of the danger of creating martyr figures. Although there was some promising movement in 1971 toward a *modus vivendi* with the Catholic Church, the regime's basically negative policy toward the churches as institutions has yet to be changed.

Kadar's experience in the late 1960's indicates that the danger facing his reforms is not so much that they might create naive and unquenchable popular demands for more, but rather that the piecemeal implementation of minor improvements will be ignored by a population almost totally absorbed in pursuing materialistic goals. Kadar himself has privately complained about the lack of public involvement in what he is trying to do. One of his main problems appears to be convincing the population that his gradual drift away from orthodoxy is sincere and enduring. There are good historical reasons, mainly the record of the party's broken promises, why the people remain suspicious and uncommitted. Furthermore, the nagging doubt that, should Moscow so choose, Kadar would be forced to abandon his policies detracts from the program's long-term credibility.

## 2. Foreign (S)

Hungary's foreign policy is tied to that of the U.S.S.R. for political, ideological, and economic reasons. Being in the Soviet sphere of influence, Hungary benefits in terms of military and political protection, as well as by having assured trade partners in the other Communist states. The price of these benefits is high, however, for the possibility of an independent Hungarian foreign policy is severely restricted, and the continued drawing of economic benefits from the U.S.S.R. has contributed to a high degree of economic dependence. The Hungarian

regime nevertheless has taken advantage of the growing heterogeneity in Eastern Europe, and is attempting within the limits imposed on it by political and economic realities to formulate policies which are responsive to national needs and national interests.

In the period from 1947 to the 1956 revolt, Hungary's "foreign policy" consisted of sycophantic repetition of Soviet pronouncements. After the brutal Soviet suppression of the revolt and Soviet installation of the Kadar regime, Hungary's entree to the non-Communist world was severely limited and its representatives abroad discredited. During this period, and until 1963, Hungarian foreign policies were primarily aimed at regaining an honorable place among the international community of nations in addition to supporting the U.S.S.R. In March 1963 the Hungarian regime declared an amnesty which purported to free all prisoners sentenced for their roles in the 1956 revolt. This cleared the way for normalizing Hungary's status in the United Nations and paved the way for a limited improvement in relations with the United States.

The Hungarian foreign ministry then began a program aimed at consolidating and expanding Hungary's diplomatic, cultural, and foreign economic relations, as well as at examining more closely the meaning for Hungary of the growing patterns of diversity in Eastern Europe and the Communist world as a whole. By 1965, concomitantly with a reappraisal of domestic policies, Hungarian foreign policy underwent a thorough review and, as a result, entered a new phase. Its main features included a more clear-cut declaration of support for the Soviet Union in its relations in the Communist world, especially abandonment of Hungary's year-long refusal to become publicly embroiled in the Sino-Soviet dispute. In return, the Soviet Union apparently permitted the Hungarian Government to undertake expansion of its relations with the West. The regime also set about consolidating its relations with the newly emerging or uncommitted nations. After a temporary setback to its efforts to establish better relations with the West caused by its participation in the invasion of Czechoslovakia, the Budapest government has renewed its drive with vigor.

Hungary's policies with regard to Communist countries other than the U.S.S.R. stress the equality of Hungary's rights as a member of the "socialist commonwealth," independence, primary responsibility to the nation's needs, and concomitant—but in fact secondary—responsibility to the common interests of the Communist nations. The Hungarians insist that they "have broken with the concept of the

years prior to 1957 which demanded stereotyped uniformity," and condemn attempts to resurrect that system, even in part. Independence, nevertheless, is officially characterized as being correct and useful "only as long as it does not lead to separate national interests becoming opposed to the general interests of the countries of the socialist world system."

Hungarian foreign policy thus strongly supports the Soviet Union and the Communist countries allied with it, and follows the Soviet lead in its position on the People's Republic of China. In this respect, Kadar summarized the policy in his speech to the 23d Congress of the Communist Party of the Soviet Union by saying, "Anti-Soviet communism has not existed, does not exist, and will never exist." Even in this area, however, the Hungarian regime does not want an all-out ideological assault on the Chinese and exercises its limited influence, along with other Eastern European regimes, in encouraging the Soviets to develop a circumspect and restrained strategy with regard to China. On Vietnam, the Hungarians have followed the Soviet lead very closely. They have conducted a virulent and voluble campaign of solidarity with the North Vietnamese and the Viet Cong, and have also launched a program of material assistance.

Ideological principles which govern Hungary's relations with the non-Communist world include "solidarity and cooperation with the masses of the capitalist countries . . ." solidarity with former colonial peoples, and support for "liberation of the peoples which still suffer under oppression." To this end, Hungary has worked hard to develop as many contacts as possible in the non-Communist world.

Hungary's official attitude toward the issue of European security hews closely to the Soviet line, although there is reason to believe that Hungary would like to see both East and West pursue this goal more energetically. The regime does not hope directly to influence the pace of European rapprochement, but it seems to anticipate a better European atmosphere by exerting diplomatic efforts to improve its relations with smaller Western European countries. In addition, Hungarian officials have allowed relative freedom of discussion in intellectual circles of the idea of loose special ties between Hungary and other countries on the Danube, whose interests and resources, especially in the economic field, are complementary. Such discussions have raised again speculation about a Danubian confederation, a concept that has been condemned in the Soviet press.

The Czechoslovak crisis in 1968 had a very negative and unsettling effect on Hungary. Early in 1968, the Kadar regime had welcomed the creation of a more

liberal Czechoslovak regime that would give Hungary an important ally in developing pragmatic political and economic reforms. To Budapest's dismay, the Czechoslovak liberalization began to take on anti-Soviet characteristics similar to the Hungarian nationalist movement of 1956, and propaganda blasts from other Warsaw Pact countries soon forecast an open rupture. Kadar realized that Hungary would be forced either openly to defy the Soviet Union or to condemn Dubcek and his reform movement. After a bitter debate in the party Secretariat, Kadar decided on a temporizing course of continuing low key support for Dubcek while trying to prevent the incipient confrontation through personal mediation. Kadar's futile attempts at mediation continued until the eve of the Warsaw Pact intervention, in which Hungary reluctantly participated. By playing the mediator, Kadar emerged from the crisis doubly defeated; hardliners in Poland, East Germany, and the Soviet Union were piqued over his mediating role, while his liberal neighbors, the Czechoslovaks, Romanians, and Yugoslavs, were angered because of Hungary's ultimate participation in the invasion.

By late October 1968, while the Soviets and Czechoslovaks were still working out the details of the Moscow Agreement, Hungarian propaganda stepped up attacks on "West German imperialism," thus demonstrating Budapest's orthodoxy. In handling the postinvasion "normalization" in Czechoslovakia, Hungarian media were noticeably less harsh in tone than those of other Warsaw Pact countries; in substance, however, the Hungarian rationale for the intervention adhered closely to the Soviet line.

As a result of its participation in the intervention, Hungary met some important rebuffs in its relations with the non-Communist world and temporarily lost many of the gains made after 1956 in reconstructing a respectable international image. The pointed cancellations of scheduled state visits by the United Kingdom's Foreign Minister and the Austrian Premier emphasized the serious damage done to Hungary's relations with the West. Divisions resulted within the foreign ministry and the diplomatic corps, and Minister of Foreign Affairs Peter reportedly tried to resign during the intervention.

Hungarian relations with the individual members of the Warsaw Pact and with its two neutral neighbors, Austria and Yugoslavia, are generally good with some sporadic exceptions. For example, the East German regime under Walter Ulbricht had little use for Kadar's experiments in domestic policy and distrusted Budapest's receptive attitude toward West Germany. For his part, Kadar dislikes the East Germans because

of their condescending view toward Hungary's developing industrial complex. Publicly, the relationship has been correct, but behind-the-scenes tensions were the rule until the replacement of Ulbricht by Erich Honecker in May 1971. Since then, Honecker and Kadar have tried to gloss over the differences between the two countries, but no serious attempt has been made to resolve differing ideological viewpoints.

Hungary has had serious bilateral problems with Romania over the Hungarian minority living in Romanian Transilvania. Public charges of forced cultural assimilation of the ethnic Hungarians there have made a deep emotional impact in Hungary, and only in the recent past have the two parties tried to initiate a calm exchange of views on the problem. Romania's independent foreign policies and their warm reception in the West also irritate the Hungarians, whose barely concealed envy has added to the vituperative tone of the regime's denunciations of Bucharest. There are signs, however, of a trend toward improved communication between the leaders of the two regimes; Kadar and Ceausescu met on a bilateral basis for the first time in 6 years in February 1972, primarily to sign a long-delayed extension of their bilateral friendship treaty. Both sides have shown an increasing awareness that their differences pose a mutual threat, since these differences are readily exploitable by external forces to the detriment of both countries and of stability in the area. This understanding thus bodes well for future cooperation.

Kadar's relations with Gierk's Poland are good, but they have not yet approached the degree of understanding that existed between Kadar and Gomulka. Although Kadar disagreed with some of Gomulka's policies (such as the anti-Semitic campaign of 1968-69), he and Gomulka had cooperated closely in the aftermath of the 1956 disturbances in both their countries. Gierk seems to be bent on a course of domestic reform similar to Kadar's, but the two men are of different backgrounds and it may take some time to reinstitute the extensive Polish-Hungarian cooperation of the past.

Kadar has been disappointed in Czechoslovak party leader Husak's failure to check the strong conservative influence in his regime and reach a stable *modus vivendi* with his Soviet mentors. At the same time, however, the Hungarians hope that time is on Husak's side and that he eventually will restore balanced policies and take on his share in representing Eastern European interests in dealings with the Soviets.

Hungarian relations with Yugoslavia have improved rapidly since the invasion of Czecho-

slovakia. State visits at the highest levels have already become a regular feature of the relationship. Improvements in party relations are proceeding on an orderly course, and thus should permit a resumption of the useful Kadar-Tito meetings which terminated in the mid-1960's. Budapest has viewed the nationalist-motivated turmoil in Yugoslavia as a potential destabilizing factor in the area, but has tried to avoid aggravating the problem by criticizing the Yugoslavs. Kadar, like other leaders in the area, is concerned with the course Yugoslavia will take after Tito's death, and Budapest is likely to keep a low profile toward Yugoslav problems during the eventual succession period.

In keeping with an overall strategy of maintaining good relations with all his immediate neighbors, Kadar has also tried to reduce irritants between Hungary and neutral Austria. To this end, Hungary has gradually eliminated the mined areas on its side of the Austrian border, where past accidents took the lives of Austrian citizens, and has greatly eased restrictions on Austrian citizens who wish to visit family members in Hungary. On a higher level, the respective foreign ministers conduct annual political consultations and government exchanges are regular occurrences. Austria continues to provide Hungary with its most regular contact with Western culture.

Hungary's activities on behalf of general Communist goals are quite extensive for a country of its limited resources. Budapest is the permanent site of the World Federation of Democratic Youth (WFDY), a front organization responsible for international coordination of the activities of Communist-controlled youth groups. Budapest also hosts important high-level meetings, such as the gathering of Communist leaders in July of 1967 to discuss the Arab-Israeli situation, the several preparatory sessions to the World Communist Conference of mid-1969, and many Warsaw Pact summit meetings on European security. In handling the preparations for the 1969 international Communist meeting in Moscow, Hungarian party leaders were confronted with differing approaches to communism and, in general, acquitted themselves well and demonstrated a considerable capacity for flexibility, sophisticated cajolery, and diplomacy. As a result of its moderate stance, the HSWP's relations with Western Communist parties have been good.

Hungary's economic relations with the Communist world are governed by arrangements made in the Council for Economic Mutual Assistance (CEMA) as well as by a number of strictly bilateral arrangements. Bilateral agreements also govern most of Hungary's

trade with the non-Communist world. This trade is limited, however, because Hungary has few products that are marketable in the developed countries of the non-Communist world and because little hard currency is available for the conduct of such trade; moreover, there are compelling political pressures against sizable Hungarian increases in trade with major opponents of the Soviet Union. Hungary has been a relatively consistent supporter in CEMA councils of the concept of "division of labor" and specialization according to the capabilities of the member countries. Nevertheless, the concerns raised by the national interests of the various member states have acted to inhibit the development of such cooperation, and Hungary shares the responsibility for this along with all other CEMA members, even though early in 1966 Kadar deplored this situation as "painful" and "undesirable." Hungary tacitly opposed the creation of a Soviet-sponsored supranational planning organization within CEMA, just as earlier it had opposed the formation of a new political organization, similar to the defunct Cominform, to be the command post of international communism. Rather, Hungary has emphasized the need for closer cooperation within CEMA through the introduction of market measures.

The failure to develop acceptable complementarity among the varying national economies of the CEMA states contributes heavily to Hungary's export problems. In July 1966 Hungary's representative to CEMA, Antal Apro, said that "by 1968 . . . a start should be made toward coordination of national economic plans after 1970. . . ." Apro's warning went virtually unheeded and all the 1970-74 5-year plans for trade between the CEMA partners were signed without settling the coordination problem. In July 1971 a CEMA summit in Bucharest passed the first agreement in principle to pursue greater "integration" of the various national economies. The agreement itself, however, failed to spell out how this was to be accomplished, and practical problems of trade among CEMA members have continued. Hungary is among those Eastern European states pressing for currency convertability and greater economic interplay with the non-Communist world.

Hungary's New Economic Mechanism, one of the most glaring departures from economic practices within CEMA, has caused considerable difficulty in Hungary's trade relations with some of its major CEMA partners. One of the NEM experiments, for example, allows some factories to deal directly with foreign firms, rather than through the state's foreign trade bureaucracy. Furthermore, Hungary has

repeatedly announced its willingness "to sit down with Common Market officials" to discuss openings for exports. This position does not sit well with the Soviet Union, which has not yet settled on a firm policy toward the European Communities. Hungary has also applied for full membership in the General Agreement on Trade and Tariffs (GATT) and wants better ties with the International Monetary Fund (IMF).

Hungary's relations with Western European countries are generally good. There are few, if any, outstanding problems in these relationships that relate directly to Hungary's national interests, but Hungary's political ties to the Warsaw Pact states force it to be circumspect, especially toward West Germany. The nature of this pressure from its allies can best be demonstrated by the reaction among pact leaders to events in early 1967 that indicated that Hungary was about to follow Romania's example and grant diplomatic recognition to West Germany. When pressure from the East Germans and Poles seemed to be failing to check Kadar's independent thinking on this question, he was reportedly called to Moscow to be lectured by Brezhnev himself. Whatever the case may be, shortly after Kadar's trip to Moscow Hungary reinstated a go-slow approach to recognition of the Federal Republic of Germany. Hungary openly welcomed West Germany's signature of good will treaties with the U.S.S.R. and Poland in 1970. In the meantime, Budapest and Bonn have quietly removed the only remaining obstacle to establishment of relations, i.e., settlement of Hungarian claims for Nazi war atrocities, and Hungary seems ready to take further forthcoming action following West German ratification of the Soviet and Polish treaties.

Hungary's relations with France have blossomed under the impetus of Soviet-Gaullist friendship of the 1960's. Extensive cultural, technological, and even political cooperation—in the form of periodic consultations between foreign ministers—constitute one of Hungary's more important contacts with Western Europe. Trade relations, however, have not met Hungarian expectations despite elaborate efforts to increase volume and the quality of bilateral trade. Nevertheless, this relationship with France has been beneficial to both the Hungarian regime and the people. First of all, it provides the Hungarian intelligentsia with an opportunity to slake its long thirst for open contacts with Western Europe. Secondly, it has given the public and the government an appreciation for, and indeed direct contact with, a proponent of a new outlook on European geopolitics.

Hungary has similarly improved its relations with Italy, which has proved to be a receptive economic

partner. Hungarian party and government leaders visit Italy frequently and have established good rapport with their non-Communist Italian counterparts. One important reason for this relationship is the impression that the moderate Hungarian party leaders make on those non-Communist Italian political figures who are leaning toward cooperation with the Italian Communist Party (PCI). The PCI, in turn, has proven to be one of the Hungarian party's firmest allies in Western Europe.

Official U.S.-Hungarian relations, reestablished in September 1945, were maintained on a legation level until 28 November 1966, when the respective missions were elevated to embassies. Postwar Hungarian policies toward the United States have generally fluctuated in harmony with Soviet foreign policy and propaganda objectives. In the period between mid-1947 and mid-1953, Hungarian policy toward the United States was especially provocative. In the interval between the death of Stalin in 1953 and the Hungarian revolt in 1956, regime policy toward the United States was somewhat anomalous but mainly directed toward achieving a limited rapprochement.

The suppression of the 1956 revolt by Soviet military forces ushered in a period of increasingly strained relations with the United States. This was based on: 1) Hungarian and Soviet charges that the United States had incited the revolt; 2) the U.S. refusal to permit its minister to present his credentials—originally intended for the Nagy regime—to the Kadar regime; and 3) the strong stand taken by the United States in pressing for continuing U.N. consideration of the Hungarian question. In the ensuing years the main arena of U.S.-Hungarian policy conflict was the U.N. Special Committee on the Hungarian Question, created in 1956 and terminated in January 1963.

As a result of the move by the United Nations in 1963, Hungarian "outrage" toward the United States moderated. The delicate problem of Cardinal Mindszenty's post-1956 refuge in the U.S. diplomatic mission in Budapest did not prevent agreement in 1966 to raise the status of the diplomatic missions of the two states to the level of embassies. No ambassadors were immediately exchanged, however, and the first U.S. ambassador to Communist Hungary did not present his credentials until November 1967. Hungary's ambassador to Washington did not arrive until September 1968.

In 1969 Hungary finally settled its postwar debts with private U.S. banks, and in 1971 signed an exchange agreement between the Hungarian and U.S. academies of science. Official contacts have gradually

increased, and the door appears to have been opened for substantive exchanges of benefit to both sides. Kadar himself blessed this positive turn in relations in March 1971 during an extensive interview with a U.S. correspondent. Agreement was reached in 1969 between the two governments on four minor points. An air transport agreement was signed in May 1972 and a consular convention and a science cooperation agreement in July 1972.

Nevertheless, there are still important gaps in relations with Budapest that impede movement toward normal relations. Outstanding U.S. claims—of over US\$58 million—against the Hungarian Government's postwar seizure of U.S.-owned properties, and the lack of other basic state agreements (i.e., most-favored-nation, information exchange, etc.) are the major issues requiring solution. The end of Cardinal Mindszenty's 15-year exile in the U.S. diplomatic mission in Budapest in the fall of 1971, although not directly connected with U.S.-Hungarian relations, was a positive development demonstrating that even the most complex and deep-seated cold war impediments could be resolved positively by determined diplomacy and high-level political understanding.

The outlook for the 1970's is for gradual resolution of remaining problems with potential achievement of bilateral relations at least as forthcoming as those between the United States and Poland. Increased economic ties are, from the Hungarian point of view, the key to progress in other areas of mutual relations. Hungary's increasing access to U.S. export and import firms seems to indicate that there may well be sizable increases in bilateral trade, although major expansion of trade continues to be hampered by mutually discriminatory tariffs. As in the past, the general tone of U.S.-Hungarian relations will continue to be determined by the climate of Soviet-U.S. relations.

As an ex-enemy of the Allies in World War II, Hungary was ineligible for charter membership in the United Nations. After seeking admission for 8 years, it was seated under terms of the 16-nation "package deal" of December 1955. Since then it has supported all policy measures proposed in the United Nations by the Soviet Union. Hungary has recouped its U.N. position relatively quickly after being readmitted to full participation in 1963. By 1965, a Hungarian diplomat was elected to the chairmanship of the important First (political) Committee of the U.N. General Assembly and, in 1968 Hungary took a seat on the U.N. Security Council for the first time.

Hungary is also a member of the following specialized agencies of the United Nations: the U.N.

Educational, Scientific, and Cultural Organization; the International Labor Organization; the World Health Organization; the International Atomic Energy Agency; the Universal Postal Union; the International Telecommunication Union; the World Meteorological Organization; the Food and Agriculture Organization; and the World Health Organization.

The Hungarian regime has generally proscribed affiliation with international organizations whose principles might conflict with those of communism. Regime-dominated national organizations have been permitted to retain membership in such international bodies as the International Red Cross and the World Council of Churches, but the main policy goals behind participation in these non-Communist organizations are to enhance the regime's prestige, to obtain technical knowledge and assistance, and to further Soviet bloc aims in general.

### 3. National defense (S)

Hungarian military policy is keyed to Soviet and Eastern European defense needs, as coordinated through the Warsaw Pact. The military establishment is under the firm control of the party leadership, and national defense policies are determined by the HSWP Politburo in close coordination with Soviet advisers. With the aid of Soviet advisers, Hungarian military forces adhere to Soviet training methods and tactical doctrine. Conscripts generally serve 2 years, although the legal term of service is 3 years. This still provides an opportunity for the regimentation and political indoctrination of virtually all able-bodied young men.

National defense allocations within the Hungarian budget have fluctuated; they rose steadily from 1950 to a peak in 1955, decreased sharply in 1956 and 1957, and reached another peak in 1963. Defense allocations in recent years have averaged about 4% of the GNP. Publicly announced figures, however, are not precise yardsticks for assessing total military effort because military research and development and procurement costs can easily be concealed in other budgetary categories.

Hungarian forces are among the smallest and probably the least effective of the Warsaw Pact forces. Hungary's contributions to Warsaw Pact military strength are limited by its manpower resources, the time lost in rebuilding the armed forces after their virtual dissolution in 1956, and by the prohibitive costs of massive military programs. The Hungarian Ministry of Defense has repeatedly emphasized that the armed forces have reached their peak expansion, and prominent regime spokesmen have consistently

underscored Hungary's dependence on the Soviet Union for decisive military protection. The regime undoubtedly approves of its limited role in Warsaw Pact military strategy because a more important role would require increased military expenditures at the expense of a lower standard of living.

In September 1966 the Hungarian army participated in a joint Warsaw Pact exercise for the first time since 1962. During the intervening period, however, it engaged in several exercises with the Soviet Southern Group of Forces stationed in Hungary. A limited number of Hungarian troops—around 6,000—took part in the intervention in Czechoslovakia in August of 1968 and acquitted themselves well, although some units reportedly were replaced because of their displeasure at being used as occupation troops against the Czechoslovaks. In October 1970 the Hungarian Armed Forces participated on a small scale in the "Brothers-In-Arms" pact exercise in East Germany. A year later, the Warsaw Pact held a small but highly propagandized exercise, called Opal 71, in Hungary.

There are approximately 50,000 Soviet troops stationed on Hungarian soil under terms of a status-of-forces agreement signed on 27 May 1957. The agreement is purely bilateral and no mention of the Warsaw Pact is made in it. Nevertheless, these forces apparently have a minor pact role; in addition, a declaration by the U.S.S.R. of 30 October 1956 concerning these troops specifically states that Soviet units are in Hungary "in accord with the Warsaw Treaty and governmental agreements." It is unlikely that the bilateral agreement of May 1957 supersedes all previous agreements, since in August 1966 Kadar specifically told a U.S. correspondent that "Soviet troops are stationed in Hungary as members of the Warsaw Pact." Given the Kadar regime's political stability and the degree of popular support it has gained, it is unlikely that any Hungarian leaders view the Soviet military presence in Hungary as necessary for internal security. As a result, the leadership probably would wish, but cannot press, for Soviet troops to leave Hungary as a function of any eventual agreement on European security.

There is some evidence to suggest that there are significant morale problems in the Hungarian Armed Forces. One cause has been described as a generation gap between senior and junior officers. Although no precise figures are available, it is indeed likely that the age structure of the officer corps roughly mirrors that of the party, and, as such, is beset by serious problems in bringing the post-1956 generation into leading positions. Another cause of dissatisfaction is the low pay and generally poor living conditions of enlisted

men, noncommissioned officers, and junior officers. The party tacitly recognized this problem in November 1969 when it increased basic wages and retirement annuities for servicemen. The inflationary situation in the national economy, however, has probably erased most of these gains.

#### 4. Civil defense (S)

The basic task of civil defense in Hungary is to protect the population from the effects of weapons of mass destruction, as well as to provide the necessary governmental control and service functions required during an emergency. Civil defense policies stress measures to assure the evacuation and dispersal of the population from threatened cities, the organization of medical and veterinarian support, the protection of food and water supplies, and the maintenance of lines of communication. These policies have received increased emphasis since 1962. The civil defense training system appears to be equipping the population sufficiently for civil emergencies and natural disasters; available civil defense facilities and equipment, however, are generally inadequate.

The responsibility for civil defense was transferred from the Ministry of Interior to the Ministry of Defense in November 1962. Concomitantly, a newly adopted law made required civil defense service second only to the obligation for military service. In January 1964 the Hungarian Government established a National Headquarters for Civil Defense (PVOP) under the Ministry of Defense to control, coordinate, and administer all civil defense activity through subordinate elements at the county, district, and lower levels, and in ministries and enterprises. A number of National Civil Defense Services were later formed to provide the operational and training personnel down to the municipal level. Major industrial establishments, government ministries, and the armed services have their own civil defense services and subordinate units. Hungarian civil defense officials have visited other Warsaw Pact countries to compare methods and plans, and it is assumed that Hungarian civil defense policy coincides with that of the Warsaw Pact.

Citizen training in civil defense procedures has been conducted with varying intensity since 1953, and participation in such training was made mandatory in 1960. In 1964 a government decree extended compulsory civil defense duty to men between ages 14 and 65 and women between 14 and 60. In practice, however, participation was voluntary until 1971 when it was decided to enforce the compulsory aspects of the program. Training of the general population was

assigned to the Home Defense Sports Federation (MHS), with the curriculum and training materials provided by the PVOP. In September 1967, the MHS was reorganized for a more comprehensive civil defense role and was renamed the Hungarian National Defense Federation (MHSz). Under the MHSz, the old paramilitary activities (organizing rifle, parachute, and radio clubs) were combined with civil defense functions, such as first aid, decontamination, etc. The MHSz has also been more active in involving the population at large in its programs. Civil defense training (including small arms familiarization and military-political indoctrination) has been introduced into high school curriculums in spite of the protests of educators and parents. Civil defense planning also includes extension of training into rural communities.

Training courses include instruction on chemical, bacteriological, and radiological defense, but primary emphasis appears to be on the effects of nuclear attack. Theoretical studies are supplemented by demonstrations and field exercises, and up to 60 hours of training may be given annually. The major shortcomings of the civil defense system appear to be the lack of adequate shelter facilities, uncoordinated alert plans, and limitations of available protective equipment. Since 1960, civil defense propaganda has stressed the importance of incorporating a shelter-building program into long-range urban development plans; there is no evidence, however, that such a program has ever been initiated. Special shelter facilities have been established in the Budapest area to provide protection for essential party and government agencies in the event of a national emergency, and similar limited facilities may exist in other major urban centers. According to regime spokesmen, civil defense needs have been taken into consideration in planning the new Budapest subway (the first stage was completed in 1970) in order to assure "the highest degree of protection" to more than 100,000 persons. The difficulty of securing adequate equipment for training and stockpiling purposes has been a persistent problem of the civil defense system, and the situation was only slightly alleviated by the resubordination of the civil defense elements to the Ministry of Defense. Military personnel and ministerial officials have been reluctant to stockpile reserves of equipment for civil defense use especially if the equipment could be more productively utilized. In the event of a national emergency, however, supplies of central ministries and agencies would be placed at the disposal of civil defense personnel.

## E. Threats to government stability (S)

### 1. Discontent and dissidence

As a regime that inherited a nation torn apart by the 1956 revolt, the Kadar leadership has consistently employed a style of rule designed to avoid the mistakes of its predecessors and to prevent another spontaneous outburst of repressed popular dissidence. It has sought not only to project an image of orderly and untroubled national development, but has attempted to create a genuine basis for this claim. To do this, Kadar keeps a finger on the pulse of the nation through opinion polls and contacts with spokesmen of special interest groups, as well as the secret police informant net. As a result, timely foreknowledge of potential dissidence and Kadar's considerable skill in choosing the right combination of concessions and coercion has reduced dissidence to minor proportions and to an unorganized and passive status. Kadar also employs safety valves for incipient popular discontent by allowing regime-sponsored mass organizations such as the trade unions, the writers union, and the KISz enough freedom of action to voice the valid complaints of their respective constituencies. This tactic in large measure has rooted out some of the causes of conspiratorial plotting, which so often results from suppressed grievances.

While Kadar's intentions are generally respected by the people, and while his tactical grasp of the situation is good, few Hungarians would claim that his solutions to substantive problems are nearly as effective. Wholehearted popular backing for and identification with "Kadarism" is a rare phenomenon and most Hungarians can readily point to glaring failures of the system. They have, however, accepted the basic tenets of Kadar's national reconciliation and, remembering the miseries of the earlier Stalinist era, they generally choose to ignore politics and concentrate on personal matters.

The regime is aware that there are several important weaknesses in the political, economic, and social fabric of the nation that contain potential for instability. First and most important, the regime is faced with the necessity of sustaining continuous improvements in the standard of living. This basis of Kadar's domestic policy has become an inviolable political precept, but external factors over which Kadar has no control, e.g., economic downturns in Europe, decreased Soviet exports of raw materials to Hungary or reduced orders for Hungarian goods from the U.S.S.R., etc., could undermine the regime's ability to finance this policy. Any decrease in the standard of living could easily begin a spiral of grumbling, strikes, and regime countermeasures that might well end in widespread turbulence.

Another vital factor that bears upon stability in the country is the continued tenure of Kadar in office. In this regard, the 60-year-old (in 1972) leader's health is an uncertain factor. Kadar had a harsh early life, and his imprisonment in the early 1950's left him mentally and physically debilitated for years after his release in 1953. The years have begun to tell on Kadar; in addition to lengthy annual rests he has also been forced to drop from view on an unscheduled basis because of his health. Recurrent, but so far unsubstantiated, rumors about Kadar's intention to step down, or at least to share his many responsibilities, indicate a degree of uncertainty over his future role. Sporadic but evident popular and official concern over Kadar's health has inevitably raised the question whether "Kadarism" as a system will survive Kadar. In the absence of any provisions for orderly succession, the Hungarian party could be subjected to serious internal discord should Kadar die without appointing a successor capable of assuming and mastering the highly personalized style of rule that he wields.

Regime concerns over social trends in the country are also increasing. Like other revolutionary parties that have long been in power, the HSWP is faced with the glaring inconsistency of its avowed theoretical dependence on the working class and the reality of a new and rigid class structure. The days are gone when revolutionary change swept aside the traditional upper classes and created new potential for social mobility. As a result, the party is struggling with its inability to explain satisfactorily why social and material privileges are again concentrated in the hands of a new, small elite. The workers and peasants are still riding a miniboom of consumer spending, and for the moment this seems to be distracting these classes from asking hard questions about the extravagant lives of some party and government leaders. Public annoyance with scandals involving corrupt officials and widespread, malicious rumormongering, however, indicate that dissatisfaction is just below the surface. Despite Kadar's almost puritannical personal attitude toward privilege and material wealth, he has failed to make the party adopt his views as a working ethic. Moreover, the "new class" of party and government bureaucrats demonstrates arrogant, exclusive social attitudes; government bureaucrats in particular treat their social inferiors in a classically patronizing manner.

There is also the possibility that the unresolved questions of Hungarian nationalism and irredentism could cause serious and unforeseen problems for Kadar. Magyar nationalism traditionally has cut across political and social lines, and even large



segments of the party are not immune to it. Should an issue arise to spark the nationalistic-chauvinistic predisposition of the Hungarian people, Kadar's ability to control the situation would be seriously tested. Moreover, should the issue involved be even remotely of Soviet making, the resulting agitation in Hungary would almost certainly take on a clear, anti-Russian character, and thus, once again, pose a challenge to Soviet hegemony in the area.

Another factor of potential instability is the generation gap in Hungary. The almost absolute dominance of leaders in their forties and fifties has convinced many Hungarian young people that their future is being charted without their having a say in the process. Regime palliatives, such as token expansion of student participation in university affairs, have not only failed to generate the desired sense of participation, but have even served to convince young people of the validity of their grievances. Although Western-style rejection of all authority is evident in isolated cases of defiantly independent life styles, the vast majority of Hungarian youth render a modicum of obeisance to the regime while remaining totally apathetic to the party's efforts to engage their energies in the political process. This situation has caused concern among the older generation in and out of the party, and has been the subject of increasingly frequent, and often counterproductive, public handwringing. While the young people do not seem to pose a major political problem for the present, their refusal to be drawn into the mainstream of "Kadarism" makes them an unknown quantity in the regime's calculations for the future. Moreover, their role in any potential disturbance could be a pivotal but unpredictable factor, since the regime cannot gauge the youth's real political views. Student apathy was perhaps clearly demonstrated during the 1968 intervention in Czechoslovakia. Unlike students in Poland, East Germany, and even the U.S.S.R., Hungarian youths took part in no organized protest activity. A few desperate self-immolations were dramatic—but totally isolated—expressions of defiance.

As a backdrop to these actual and potential problems, however, the regime can point to a gradual but general lessening of hostility to the party among the people and among special interest groups. This has come about, over the years, largely as a result of such individuals' and groups' having either accommodated themselves to the regime or of having lost their vigor. The Roman Catholic Church, one of the firmest traditional opponents of the regime, is a prime example of this trend. The clergy is internally divided

between those priests who view Cardinal Mindszenty's intransigent opposition to the regime as the only moral course, and those, generally younger priests, who argue that a principled accommodation with the regime would be a more practical way of preserving church influence in Hungary.

## 2. Subversion

There are no known subversive groups of major importance in Hungary. There are, however, small groups of internal dissidents of various political persuasions—with minimal active popular support—which cause the regime sporadic problems.

At least once a year the Hungarian press publicizes the arrest and trial of some small group of political dissidents. Most often these cases involve naive forays into a romantic idealism rather than serious, organized subversive activity. Inevitably the malefactors are apprehended by the secret police before their ill-prepared plans bear fruit. Groups of students at Budapest University who espouse Maoist political programs have been the hardest hit, probably because of the party's fear that they will embarrass it in its relations with Moscow. Because such groups tend to be infiltrated from the beginning by the secret police, there is the impression that the authorities usually allow these groups to continue their activities until there is a threat that they might take public action. The subsequent publicity for their arrest, trial, and usually stiff sentence, is clearly designed for its deterrent effect.

There are also several anti-Communist groups of emigres that often issue threats against Hungarian establishments and officials abroad; none of these groups, however, has demonstrated an ability to generate antiregime activity within Hungary. Moreover, groups of emigres rarely cooperate among themselves in coordinating their antiregime actions. The most widely publicized international organization of emigres is the Hungarian Freedom Fighters Federation, which is made up of participants in the 1956 revolt. The federation has organizations in the United States, Canada, Spain, the United Kingdom, and West Germany. Individual emigres belonging to different "waves" of emigration, i.e., those of the immediate postwar era as distinguished from those of 1956, reportedly have serious differences and do not cooperate extensively.

Perhaps the most significant factor working against organized, subversive activity in Hungary in the early 1970's is the cumulative psychological lesson that the nation learned from the failure of its own 1956 revolt and the equally clear failure of reformist Czecho-

slovakia in 1968. The determination of the Soviet Union to use overwhelming force against all challenges to its authority in Eastern Europe, and the West's inability to apply countervailing force, are both facts that the Hungarian regime has pointedly stressed in its sophisticated domestic propaganda. Bitter experience has thus made the Hungarian people turn away from hopes of overthrowing the regime by conspiratorial means and overt force. Nevertheless, the regime must be aware that public acceptance and different degrees of toleration of Communist rule are predicated on a continuation of Hungary's relatively enlightened domestic policies, and that any abrupt reversal toward the repressive style of rule of the past—especially if imposed by the Soviet Union—could spark an unpredictable public reaction.

#### F. Maintenance of internal security (S)

The national internal security system in Hungary has evolved as a complex of traditional civil police activity, an active secret police organization based on the Soviet model, and a number of smaller security organs whose existence stems either from specific functional needs or from the lessons of the 1956 revolt. The chain of command controlling these organs extends through the ministries of Interior, Defense, and Justice, but the party leadership and the party Central Committee, working through the innocuously named Department of Administration, keep tight control over the total internal security apparatus. Party cells throughout this apparatus serve as internal checks on the extensive powers that some of these organizations wield, and some paramilitary units are under the direct control of the Central Committee. This pattern of intensive supervision of the internal security organs is a direct outgrowth of the party's bitter experience in the late 1940's and early 1950's, when the secret police was independent of all constraints and was used by party leader Rakosi to eliminate his opponents both within and outside the party. Kadar and several of his influential advisers were among the victims of the gross illegalities and inhumanities perpetrated by Rakosi's henchmen, and they have taken steps to insure that the security apparatus remains under firm party control.

Since the advent of Communist rule, Hungarian police and security agencies have been primarily concerned with enforcing conformity to the dictates of the party and eliminating political and economic dissidence. Such periods of "party reorientation" or "liberalization" as the New Course under Imre Nagy

(1953-55) and the emphasis on "socialist legality" during the prerevolt de-Stalinization era caused little fundamental change in arbitrary police methods, although the autonomy of the secret police apparatus was reduced. Despite the popular hostility toward the secret police during the 1956 revolt, arbitrary practices continued and even intensified in the immediate post-1956 period, especially in dealing with politically suspect persons and organizations. Subsequently, however, and especially since 1962, the Kadar regime has all but abandoned overt use of extralegal "administrative measures," such as imprisonment without trial, summary punishment, and forced confessions.

From the very inception of Communist control after 1947, the security apparatus, and particularly the secret police (AVH), have figured prominently in political events in Hungary. Often the AVH, because of its domination by pro-Soviet conservatives, has played a decisive role in intraparty factional maneuvering. Its arbitrary use of terror in the late 1940's and early 1950's was regularly turned against members of the party as well as non-Communists. The Kadar regime has worked to bring the AVH under central party control through a series of measures, including the purging of the most recalcitrant Stalinists, organizational realignments, and, in general, closer supervision over the AVH's extralegal and borderline-coercive activities. Kadar's success in curbing the powers of the AVH has been mitigated by the paradox of his dependence on these same forces for maintaining order and security. Although most Stalinist sympathizers have been purged from command positions in the AVH, the experience and dedication of like-minded men in the middle and lower echelons recommend them for retention and they are firmly entrenched at these levels of the security apparatus.

The structural organization of the intelligence and police services is complicated by the subordination of various elements to varying degrees of control by groups other than the Ministry of Interior. For example, the Ministry of Defense reportedly has taken over some administrative control of the Internal Security Troops (BKH) and the Frontier Guard (HO), but the Ministry of Interior retains a substantial degree of command control over the elements.<sup>2</sup> The

<sup>2</sup>The frontier and interior guards in Czechoslovakia were transferred to the administrative control of the Ministry of Defense in 1966, about the same time that equivalent moves were rumored in Hungary. Although the Hungarians have not publicly announced this reorganization, it has been assumed that, by 1967, the transfer of functions was complete.

numerical strength in 1965—the latest year for which figures are available—and the reported administrative subordination of police and security groups as of 1967 was as follows:

Ministry of Interior	
II Main Group Directorate (police services)	
Civil police .....	50,000
III Main Group Directorate (AVH)	
I Group Directorate (foreign intelligence) (plus an undetermined number of support personnel) .....	
Internal AVH and support elements ...	250
Industrial Guard Force .....	2,000
4,000	
Ministry of Defense	
Military Intelligence (VKF II) .....	500-700
Frontier Guard (HO) .....	20,000
Internal Security Troops (BKH) .....	15,000
HSWP Central Committee	
Workers Militia .....	15,000

Regime officials, fully cognizant of the impotency of the security forces in the face of the nationwide insurrection in 1956, have made special arrangements to deal with any future uprising. According to one reported contingency plan, national mobilization of security forces would be ordered by the Council of Ministers, relayed through the Minister of Interior, Andras Benkei (Figure 12), to five regional command centers. The commander of each of the five regions reportedly has authority to direct all security forces (including the HSWP Central Committee-controlled Workers Militia) in his area during a national emergency. Although it is doubtful that these forces could put down a general insurrection, they probably would be able to hold key installations (broadcast centers, munitions dumps, etc.) and to protect regime



FIGURE 12. Andras Benkei, reform-minded Minister of Interior (C)

officials until help arrived. If this regional command structure were activated soon enough, it could also serve to restrict freedom of movement and communication and, thus, could conceivably isolate a turbulent region from other parts of the country. The operational organization of the police and security services is shown in Figure 13.

### I. Ministry of Interior

The Ministry of Interior is the regime's immediate controlling organ over the operations of most of the security services. Little is known about its precise relationship with the individual security services, but the ministry hierarchy is permeated with loyal supporters of Kadar who reportedly maintain tight rein over their subordinates. Many of the older police officials at the lower levels resent this close supervision and frequent interference in their professional work, but the party leadership is determined to eliminate any possibility that the security organs might regain an independent status or misuse their powers.

Minister of Interior Andras Benkei, a firm follower of party leader Kadar, has attempted to introduce the spirit of political reform into the ministry's operations. In January 1970, Benkei published an article in *Partelet*, the party monthly, recommending the passage of a comprehensive law spelling out the rights and duties of the security organs. Benkei complained that party and government officials abuse the security establishment by calling on it to resolve problems which are essentially not of a criminal character. Benkei said that police interference in purely economic, cultural, or political problems—where no law has been broken—both degrades the security organs in the eyes of the public and hampers their effectiveness in rooting out real criminals. Benkei indicated that he wanted an end to the police role as "ideological watchdog" and specifically requested that the Ministry of Interior be divested of many of the duties which more properly belong to other sectors of the state administration.

As of mid-1972, Benkei's recommendations have not been implemented, although they evidently have Kadar's backing. Kadar probably realizes that any official diminution of the authority of the security apparatus could risk sharp criticism from Moscow and invite unwarranted speculation that he was following the naive and discredited approach of the Czechoslovak reformers in 1968. Although Benkei's proposals would leave unaffected the vast anticriminal activities of the security apparatus, there is strong opposition within the professional levels of the

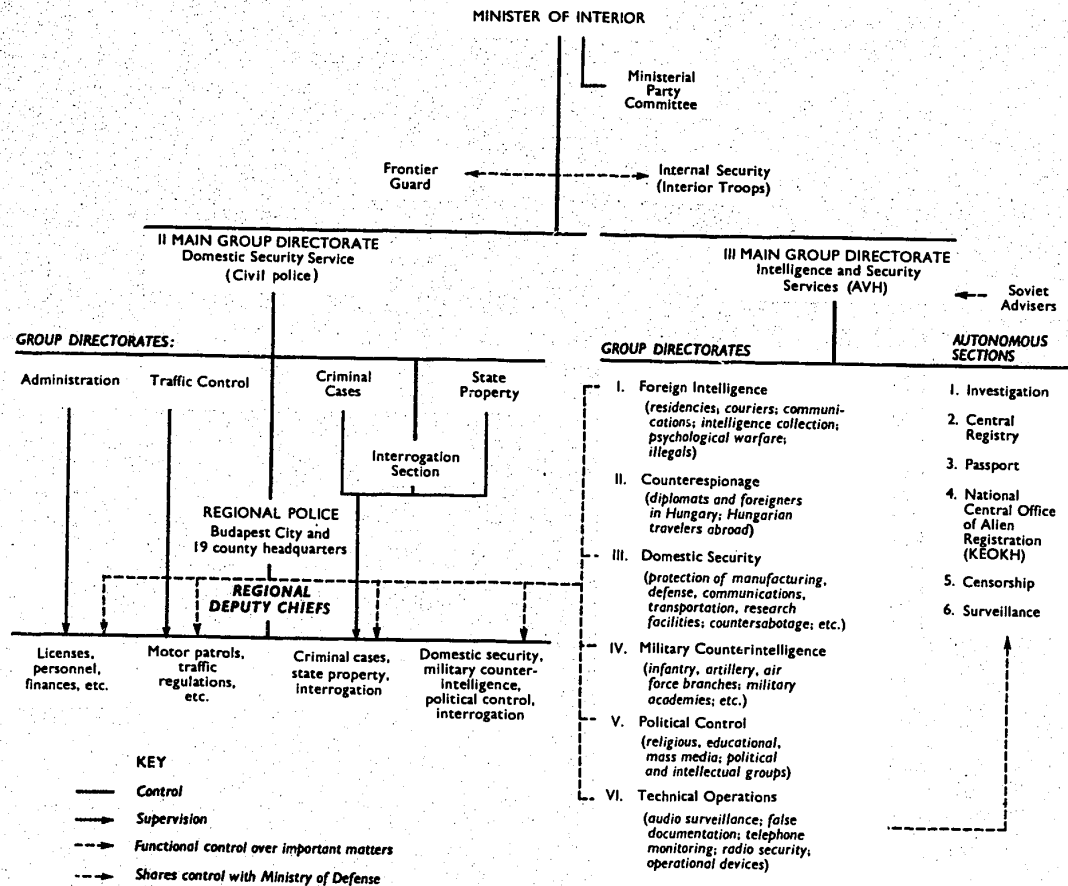


FIGURE 13. Operational organization of the police and intelligence services in the Ministry of Interior (C)

apparatus to any additional diminution of its powers. The combination of potential Soviet dissatisfaction and sharpened factionalism in the security apparatus thus argues against any substantial realization of Benkei's proposals.

**a. III Main Group Directorate (AVH)**

The most detested and feared of the police organs is the secret or political police. It was known during the pre-revolt period as the AVO (State Security Section) and later as the AVH (State Security Authority). Since

1956 the official name has changed several times, from Main Department for Political Investigation to Main Department II of the Ministry of Interior, and in 1967 it was changed to the III Main Group Directorate of the Ministry of Interior, although it is still widely referred to as the AVH. In 1972 its chief was Sandor Rajnai, a Stalinist who was virtually exiled to a diplomatic post in the U.S.S.R. until 1966 when, to the unbounded glee of most of the AVH, Rajnai's professional qualities were recognized and he was brought back into the AVH apparatus.

The AVH, the symbol of Stalinist terror, has undergone numerous purges and reorganizations at the direction of the party. Some sources reported that as many as 40% of its personnel were replaced following the revolt. Purges were also reported in late 1961 when the regime sought to emphasize "socialist legality" in connection with the de-Stalinization campaign, and in December 1964 when the AVH chief was replaced. High-level personnel changes reportedly involving the top leadership of the AVH were announced in May 1966. Some of the powers of the ministry were diluted in 1962 when civil defense functions were transferred to the Ministry of Defense; in 1963 when the Ministry of Justice was given the responsibility for administration of prisons; and in 1966 when the Frontier Guard and the Internal Security Troops were reportedly transferred to the administrative but not full operational control of the Ministry of Defense.

Party control of the Ministry of Interior and the AVH is maintained at the highest level through the HSWP Central Committee Secretariat and the Politburo. The Central Committee Administrative Department supervises AVH functions and maintains routine controls through an extensive system of party cells in the AVH itself. Cell secretaries are the first to be notified of Politburo decisions and reportedly communicate with the Politburo through the Ministerial Party Committee, the highest political authority in the ministry. Cell secretaries also wield considerable authority over personnel actions within the AVH and have used cell meetings to criticize the professional qualifications or performance of individual officers.

The predecessor of the AVH, the so-called Provincial Political Police, was first organized in 1945. As a result, its activities were regional and independent of headquarters in Budapest until October 1946, when they were placed under the jurisdiction of the Central Political Police. Later they became Section XVI of the AVO. In 1950 the provincial detachments were redesignated as Section One of what was then called Division I (Counterintelligence) and were reorganized to parallel the regional organization of the Hungarian Workers Party, which subdivided its area of control into 19 offices, one for each of the nation's counties.

The AVH has both domestic and foreign functions. Its basic mission is the preservation of the security of the Communist state through counterintelligence, including counterespionage, countersubversion, and countersabotage; through active repression of hostile political forces and control of border areas; and through the direction of special security troops. The

jurisdiction of AVH counterintelligence covers not only the general population but also every component of the government, including the military services.

The AVH is organizationally divided into external (foreign) and internal (domestic) elements, although the missions of both overlap. It is responsible for foreign counterintelligence and counterespionage; collection of positive intelligence information of political, economic, and military importance; preparing investigations and court cases against persons who have been arrested by the AVH; countersubversion and countersabotage; security in athletic and cultural organizations traveling abroad; gaining information on the morale of the rural population and indications of unrest; surveillance of diplomats, diplomatic facilities, and incoming travelers; maintenance of control of domestic and foreign radio equipment in Hungary; monitoring of radio transmissions from Western countries; postal censorship and telephone monitoring; and maintenance of the security and reliability of the armed services.

The extent and manner of direct operational relations between the Soviet Committee for State Security (KGB) and the AVH is not fully known, but it is facilitated by the presence of personnel within the AVH who have resided for long periods in the U.S.S.R. and who even hold dual citizenship. There is facile cooperation in such matters as the transfer of operations from the AVH to the KGB, through the presence in Hungary of a KGB advisory group which supervises AVH activity and screens the correspondence of the AVH. Until 1962, it was common practice to send AVH officers to the U.S.S.R. for training; since then, Hungary has depended for the most part on its own training facilities. The KGB advisory group, known within the AVH simply as "the comrade advisers," tries to avoid bruising the pride of the AVH, but there is little doubt of the primacy of the KGB's interests in this relationship.

One of the functions of the KGB advisory system has been the coordination of activities among the various Soviet-bloc services. An AVH Foreign Relations Staff was organized in September 1956 to serve as the liaison office between the AVH and other bloc intelligence services. Despite the existence of this separate AVH staff, the Soviet advisers control all liaison activities.

#### *b. II Main Group Directorate*

The Hungarian regular, uniformed civil police, is directly subordinate to the Ministry of Interior through the National Civil Police Headquarters in the II Main Group Directorate; the police chief is also a

deputy minister. Civil police duties include the protection of property and the maintenance of public order, communications, and transportation. Some of the administrative functions performed by the AVH prior to 1956 are now exercised by the police; however, AVH authorities have access to all police records. Moreover, some police departments, such as criminal investigation, are probably manned in full or in part by AVH personnel.

During the 1956 revolt the police organization virtually disintegrated; many of its members refused to take action against their countrymen, and many others openly joined the revolutionary forces. For months following the revolt public order was maintained by military forces, and a year later, in November 1957, the reorganized police numbered only 20,000. Its strength in 1965 was about 50,000, approximately the same as prior to 1956. More recent strength figures are not available.

The civil police apparatus is organized into a national headquarters subordinate to the Ministry of Interior, and lower level headquarters in each of the 19 counties and in Budapest. City and village police organizations are subordinate to the appropriate county headquarters. Local government agencies have no authority over the police, although the latter may collaborate with local officials to maintain order in times of national emergency—such as floods—or local disorder.

Hungarians generally do not have much respect for the civil police, but they are not hated and feared, as are members of the AVH. Recruitment for the police is on a voluntary basis, and appointments are sought by those Hungarians who desire the security and relatively higher wages this employment affords. Party membership is not a requisite for joining the police, but preference in promotion and assignment is reportedly shown to party members.

Most civil policemen appear to discharge their duties efficiently, though the overall effectiveness of the police is questionable. They appear to be unable to check the prevalence of juvenile delinquency and crimes against "socialist property" which are widespread in Hungary. It is doubtful whether the reconstituted civil police is more politically "reliable" than its predecessor organization in 1956.

The quality of equipment and training varies between urban and rural areas. In general, policemen are adequately equipped, well trained, and—at least at the county level—utilize modern techniques of criminology. The police wear a distinctive uniform and are subject to the military code of justice.

Extensive police records are maintained as a means of controlling the population, including fingerprint files, identification cards for all citizens, and control of movements in border zones. Internal migration is also controlled by the police, who can disapprove a request to change one's place of residence. National identification cards are issued every 2 years, but special permits issued by residents of border zones and sensitive areas are changed more frequently.

Various specialized departments exist within the police organization, charged with the control of specific activities. For example, the air police department is responsible for the protection of civil air operations. Supervision of the air police is carried out by the Ministry of Interior through the National Civil Police Headquarters, and its activities are coordinated with the Ministry of Transportation and Postal Affairs. In matters affecting the national defense, the air police must seek approval of the appropriate organs of the Ministry of Defense. The air police is responsible for the maintenance of rules pertaining to flights, and investigate aircraft and parachute accidents and any circumstances which might endanger flight safety. This department issues permits for stunt flying, parachute jumps, aerial photography, and for telecommunications involving aircraft. Air policemen wear the regular police uniform.

### c. Frontier Guard

Following World War II, the patrolling of the Hungarian border was the responsibility of the Frontier Guard, under the jurisdiction of the Ministry of Defense. Fourteen Frontier Guard battalions and a training battalion, fundamentally military in concept, were developed.

Following the merger of the Hungarian Communist Party and the Social Democratic Party in June 1948, the AVH assumed *de facto* control of the Frontier Guard; presumably, most of the Frontier Guard personnel were transferred to the AVH. During this process the total number of Frontier Guard personnel was trimmed to about 5,000 by a purge of "unreliables." The merger was officially completed on 1 January 1950, and the Frontier Guard became AVH Division IV. During this period of transformation (June 1948 to January 1950), the Frontier Guard was known as the Frontier, River, and Air Patrol, after which it officially became known as the State Security Frontier Guard High Command. In 1952 it was established that the AVH would be responsible for the Frontier Guard in peacetime only, and that in the event of war the Ministry of Defense would resume command. The strength of the Frontier Guard steadily

increased from about 12,000 in 1951 to 15,000 in 1952, reaching about 17,000 by 1953. In 1952, during the transfer of the AVH to the Ministry of Interior, the Frontier Guard was ostensibly removed from AVH jurisdiction, becoming an independent division of the Ministry of Interior under the supervision of the first deputy minister. Because it was officered by the AVH, however, it remained under AVH control. There were indications that the Frontier Guard was transferred from the Ministry of Interior to the Ministry of Defense in early 1966.

Border restrictions have always been rigid except for a period of about 5 months immediately preceding the revolt in 1956 and during the revolt itself. In keeping with the political thaw evident in Hungary in mid-1956, orders were given in May of that year to remove certain physical barriers, such as landmines and some barbed wire fences. Following the revolt, fortifications were rebuilt and reinforced on all borders, and it is now difficult to leave Hungary except by legal means. As a result of Austrian protests during 1965 (because landmines washed to Austrian riverbanks and lakeshores by floods were killing local inhabitants) the Hungarian regime undertook a program of "modernization" of its border fortifications. Alarm systems in conjunction with augmented patrols and observation posts replaced landmines and barbed wire fences in some sectors along the Austrian border. This "modernization" of physical border controls has been completed.

The Frontier Guard proved to be an unreliable force at the time of the revolt. Some of its personnel joined the ranks of the insurgents, but many more fled the country. Afterward, remaining members of Frontier Guard units on both the Austria-Hungary and Yugoslavia-Hungary borders were transferred to the borders of Czechoslovakia,<sup>4</sup> Romania, or the Soviet Union. The Austria and Yugoslavia borders were manned temporarily by reliable elements of the regular army and air force.

The Frontier Guard, whose main headquarters are in Budapest, is equipped to fight as infantry when the occasion demands. It is composed of about 20,000 men, organized into at least 19 battalions which are deployed in 10 command districts along the entire frontier. Most units are stationed along the Austria and Yugoslavia borders. The command districts are: Csorna, Szombathely, Zalaegerszeg, Nagykanizsa, Pecs,<sup>3</sup> Kiskunhalas, Nyirbator, Oroshaza, Miskole,

<sup>3</sup>For diacritics on place names see the list of names at the end of the Chapter.

Balassagyarmat, Zahony, Debrecen, and Sopron. There is an independent Frontier Guard battalion at Gyor, and a number of independent Frontier Guard engineer battalions in the interior. A Frontier Guard signal school is located at Adyliget, a horse training school at Kiskunhalas, and a dog training school at Dunakeszi.

The mission of the Frontier Guard is to secure and control the national frontiers against enemies of the state and to prevent illegal entry or exit. It has the task of examining the passports of all persons entering or leaving Hungary whether by land, air, or water. The Intelligence Section of the Frontier Guard District Command Headquarters is divided into External and Internal Counterintelligence Subsections, responsible for the development and maintenance of informant networks on both sides of the borders of Austria and Hungary for a depth of 15 kilometers (9.3 miles). Enlisted personnel for the Frontier Guard are supplied by the Ministry of Defense through regular conscription for 24- to 27-month periods. Officer personnel are provided by the Ministry of Interior and all are AVH staff officers. The uniform worn by the Frontier Guard (officers and enlisted men) is identical to that of the army except for color markings, a 1½-inch green band on the cap and green collar and shoulder markings on the blouse. Because of these markings, the Frontier Guard is sometimes referred to as the Green Guard.

#### *d. Internal Security Troops*

A specialized body of militarized security forces has existed virtually since the beginning of the Communist regime in Hungary. Enlisted men are provided by the conscription system of the Ministry of Defense; commissioned officers are provided by the AVH. Following the revolt of 1956 the Uniformed Guard Division was redesignated as the Internal Security Troops (BKH), commonly known as Interior Troops. The primary mission of the BKH is to guard the regime, acting as the primary mass force to suppress any uprising or political movement that threatens it. Specific duties also include protecting military, economic, and government installations and objects; supporting civil and military police and the AVH of the Ministry of Interior; supporting the socialization of agriculture (collectivization); and controlling mass evacuation or deportation.

BKH strength is estimated to be about 15,000; regiments are comprised of 1,000 to 1,500 men. It is believed that enlisted men of the BKH serve a 27-month term.

## 2. Other security elements

### a. Workers Militia

The Workers Militia was formally organized by the regime in February 1957 to secure industrial installations and to prevent sabotage in the wake of the revolt. Its duties also include guarding public buildings, making ceremonial appearances, and performing various quasi-police duties assigned by the HSWP Central Committee, to which the Workers Militia is directly subordinate. Although it receives some logistical support from the Ministry of Interior, the Workers Militia is firmly controlled by the party and may be used as an auxiliary force by the Ministry of Interior in the event of national emergency, and only with specific permission of the Central Committee.

In 1965 the personnel strength of the militia was estimated at 15,000, concentrated in urban industrial areas. According to a January 1965 party Politburo directive, 70% to 75% of the Workers Militia must be composed of party members. The same directive stated that new members should be sought primarily among actively employed party members, or nonparty members who belong to the Communist Youth League, the trade unions, or other mass organizations. New members are required to agree with party policy and take an active role in implementing party directives. Members are enrolled for a minimum period of 5 years, and receive no remuneration except a nominal maintenance fee when special or weekend duty is performed. After 5 years of service, militia members may transfer to reserve units.

Training sessions for the militia are held on the average of twice a month; winter training emphasizes political indoctrination, and summer training includes instruction in traffic direction, construction of road blocks, cross-country patrolling, document checking, street fighting, and rudimentary infantry tactics. Militia members are issued hand arms which they retain during their enlistment, and target practice is mandatory twice a year. Practice alerts are also held about twice a year.

Although the organization's military potential is very limited, it has been useful for maintaining order in plants and factories. In general, however, the militia is primarily concerned with ceremonial and domestic propaganda activities. Despite the preponderance of party members in the militia, its political reliability is questionable.

### b. Industrial Guard Force

The small Industrial Guard Force, numbering about 4,000, is operated by civil industrial ministries,

although ultimately it is under the control of the AVH. Little is known of its organization or effectiveness, but it apparently was created after 1957 in an attempt to help stem the tide of "economic crimes against the state"—mainly theft and fraudulent practices. Logistical support is thought to be provided by the Internal Security Troops.

### c. Penal system

Between 1947 and 1960 the Hungarian regime operated an extensive network of prisons and internment camps to confine war criminals, political prisoners, and ordinary felons. Regular (criminal) prisons were under the jurisdiction of the Ministry of Justice, and political prisons and labor camps were controlled by the Ministry of Interior. A law passed in 1952 granted sweeping powers to the Ministry of Interior and permitted it to extend its authority throughout the judicial system, including the overall administration of all prisons. This law was repealed in November 1963, when responsibility for supervision of the penal system was transferred to the Ministry of Justice. Since then, many of the smaller prisons and camps formerly operated by the Ministry of Interior appear to have been shut down; there is, however, little reliable information regarding Hungarian prisons or prison population.

Following the 1956 revolt, Western observers estimated that some 2,000 executions were carried out and between 15,000 and 20,000 persons (exclusive of deportees) were imprisoned or placed in labor camps in Hungary. Most of these prisoners were released in general amnesties declared in 1960 and 1963; it is estimated that, following the 1963 amnesty, only about 200 political prisoners arrested in 1956-57 remained incarcerated.

Regime authorities deny that any internment camps are still in operation and claim to have closed the last one, at Tokol, in June 1960. It has been reported, however, that the camps at Baracska and Maria-nosztra were still in operation in the mid-1960's, and the Csillagborton prison in Szeged held political prisoners in late 1965. The most notorious of Budapest prisons, Gyujtofoghaz and Fo Utca, are still in use.

## 3. Intelligence

### a. Nonmilitary intelligence

The collection of all nonmilitary foreign intelligence is the responsibility of the AVH. Since the AVH is basically a defensive security service, even abroad, its intelligence operations are directed primarily toward the neutralization of Western intelligence activities



against Hungary and the elimination of the Hungarian emigration as a security threat to the regime.

The main targets of the foreign espionage operations of the AVH are the United States, the United Kingdom, France, Italy, West Germany, and Israel. Yugoslavia was a prime target during the late 1940's and early 1950's, gradually assuming less importance until active operations were suspended in 1955. After the 1956 uprising, and up through 1964, however, Yugoslavia once again became an important target. Following a secret rapprochement between Kadar and Tito in 1964, the AVH residentura was disbanded and its personnel returned home. The Yugoslavs presumably reciprocated. The primary objectives within these target areas range from the penetration and neutralization of hostile intelligence services and of Hungarian refugee groups to the collection of political, economic, and scientific information. Since 1963, an overriding target assigned to the Hungarian intelligence service by Soviet bloc agreement is the foreign office of any nonbloc diplomatic service.

The AVH conducts operations through intelligence officers placed under various covers within diplomatic and other official installations abroad; these include embassies, legations, trade missions, official news agency offices (MTI), the Hungarian airlines (MALEV), and the Hungarian Travel Agency (IBUSz). The security of these installations and their personnel is the responsibility of the AVH. There are Hungarian officials accredited to about 70 countries; the main centers of foreign intelligence activity are Vienna, Paris, Rome, London, Washington, New York, Ottawa, Rio de Janeiro, and Tel Aviv. There have been indications of budding or increasing intelligence activity in India, Brazil, Argentina, Ghana, and Canada. Cross-border operations are run occasionally from Hungary against Austria. Operations of still another type are run from illegal residencies serviced by covert means from Hungary. Illegal residencies are clandestine espionage bases operated in a foreign country by officers of the AVH. They are nonofficial espionage units, lacking diplomatic cover; personnel operating from them are expected to be without traceable Hungarian origin, and they often assume citizenship of the country in which the residency is located.

AVH personnel assigned to Budapest headquarters, as well as those in the county offices, normally wear civilian clothes. The AVH, however, is a pseudomil-

itary organization, whose members bear military ranks and are subject to military rather than civil courts, although it is in no way controlled by the Ministry of Defense.

#### *b. Military intelligence*

The Hungarian military intelligence service is officially designated the Second Group Command of the General Staff of the Ministry of Defense and is commonly known as the VKF/II after its abbreviated title in Hungarian. It ranks second in importance to the AVH and is primarily concerned with collecting and evaluating positive military intelligence and strategic economic information on the military capabilities and potential of target countries. It also engages in limited counterespionage activities against Western military intelligence services. The operations of the VKF/II are closely supervised by Soviet advisers and liaison officers, and many Hungarian officers are trained in military intelligence in the U.S.S.R.

The VKF/II has an estimated strength of 500 to 700 and is represented abroad by military attaches and their staffs. The officers abroad conduct overt and covert collection activities and report information on order of battle, maneuvers, weapons, tactical doctrine, military codes, troop morale, and training and transportation facilities of NATO forces in Europe, the military establishments of NATO countries, and the armed forces of Austria and Switzerland.

Since 1946 the most significant activity of the VKF/II has been the work of the radio monitoring units inside Hungary. VKF/II linguists and radio operators intercept and record, on a 24-hour basis, clear text and coded messages of the military and police forces stationed in neighboring European countries. The resulting intelligence is assembled and evaluated in Budapest and disseminated to Hungarian and Soviet military consumers.

Relations between the VKF/II and the AVH are frequently strained, and friction between the two services has occasioned considerable duplication of effort and some known instances of deliberate harassment. VKF/II personnel resent the dominant role of the AVH in Hungary's intelligence apparatus and their resentment is aggravated because the AVH is responsible for security within VKF/II ranks. During the 1956 revolt some VKF/II personnel reportedly fought against the AVH and Soviet forces; whether true or not, the AVH has since regarded this as confirmation of the unreliability of the military establishment.

#### 4. Countersubversive and counterinsurgency measures and capabilities

The 1956 revolt sorely tested the Hungarians' internal security apparatus and it failed miserably. The secret police were besieged everywhere by revenge-seeking mobs; the Frontier Guard virtually disintegrated as an organized force because of mass desertions across the borders they were to defend, and the vast majority of the army—the last bastion of the Rakosi regime's internal power—either deserted, sat out the revolt in their barracks, or joined with the insurgents in fighting the Soviet army. The civil police were no more effective and frequently demonstrated early and complete sympathy with their fellow countrymen. Restoration of order was left almost completely to the Soviet military forces and whatever Hungarian secret police members managed to escape the wrath of the insurgents and to gain Soviet protection.

The meaning of the collapse of the security forces in 1956 haunted the regime well into the 1960's, as reflected in the organizational realignments of the security services and the continuing efforts better to delineate their responsibilities. The dubious reliability of the army was highlighted again during the 1968 Warsaw Pact invasion of Czechoslovakia. Morale problems among the participating troops—reportedly including refusals by fairly senior field officers to obey orders—were widely rumored, and open disagreement with the Soviet-dictated move was expressed at the highest levels of the Ministry of Defense. This strongly suggests that any attempt to use the Hungarian armed forces against their fellow countrymen would cause even more serious disruptions of military cohesion and morale.

The reliability of the regular security organs in any potential internal disturbance is an unknown factor, largely dependent on the cause of the unrest and on the degree of Soviet involvement. Presumably, these organs would be sufficiently cohesive to put down any localized disturbances, but it is doubtful that they would do much better than their 1956 counterparts in the face of a generalized explosion of nationalist and anti-Soviet passions.

Since the total thrust of Kadar's internal policies is the avoidance of the kinds of internal pressures that exploded in 1956, it is unlikely that there will be a repetition of the 1956 tragedy. At the same time, however, the regime has not eased its surveillance of potential sources of unrest. The growing trend toward student activism that has permeated Eastern Europe from the West is a particular source of official concern, and much secret police activity is concentrated on the

infiltration and neutralization of illegal student groups. This pattern of early detection and tight control can readily be applied against any given sector of Hungarian society that seems susceptible to antiregime activity. The assets the regime can bring to bear against, isolated circles of dissidence are overwhelming and, since they can be applied selectively, are almost certain to frustrate any incipient subversive or insurrectionist designs.

Although the Hungarians by and large have made peace with the Kadarist system, they have done so on the basis of a mutual understanding with the regime that Kadar's lenient domestic policies will continue. Should Kadar or his eventual successor be forced to renege on these commitments, the role of the security apparatus would increase commensurately with the almost certain rise in domestic instability and potential unrest.

#### G. Selected bibliography (U/OU)

There is a dearth of material on Hungarian political development after the 1956 revolt. One of the best available books on the topic is *Ten Years After*, ed. Tamas Aczel (London, 1966). Paul Ignatus' *Hungary* (New York, 1972) does an excellent job of capsulizing the Kadar era in the continuum of Hungarian history, but it is short of detail on the events of the late 1960's and early 1970's. Unfortunately, there is no definitive open source for following contemporary Hungarian political developments. English readers can, however, keep fairly well abreast of current policy debates through the *New Hungarian Quarterly*, a forum used by Hungary's most influential intellectuals. A warning is in order, however: The *Quarterly's* liberal bent is often poorly mirrored in the actual application of policies by the regime. The *Quarterly's* treatment of problems, although rarely tendentious, is evidently designed for foreign consumption.

Materials on the revolt are numerous but of varying quality. Paul Zinner's *Revolt in Hungary* (New York, 1962) is a good chronological rendering of the events. Imre Nagy's treatise *On Communism* (New York, 1957) is a good source on the Hungarian nationalist-Communist view of the causes of the revolt. Tamas Aczel's and Tibor Meray's *The Revolt of the Mind* (New York, 1959) provides an excellent description of the role of the intellectuals in the revolt and of their traditional role in national politics.

The party's history and general development from 1919 through the early 1960's has been well-analyzed in Francois Fejto's readable study *Hungarian Communism and the Sino-Soviet Dispute 1956-1963* (Boston, 1964). Matyas Rakosi's *How We Took Over*

*Hungary* (Bombay, 1952) gives an interesting, if partial, inside view of the tactics used in the Communist takeover. It does not, however, adequately document the key role of the Soviets in the takeover.

The Hungarian Government publishing house has published an encyclopedic English-language overview

of society, politics, economics, and culture called *Information Hungary* (Budapest, 1968). The work is notable for its attractive pictorial artwork and frequent failures to restrain nationalistic interpretations of history. As a reference work, however, the volume has serious shortcomings and should be cross-checked against non-Marxist sources.

## Chronology (u/ou)

895-96

Prince Arpad leads Magyar conquest of Hungary.

1000

King (Saint) Stephen is converted to Christianity.

1241-50

Tatars invade.

1453-90

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

1526

August

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

Late 17th century

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

1703-11

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

1848

March to

1849

August

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

1867

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

1914

July

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

1918

November

Hungarian Communist Party is founded.

1919

March-July

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

1920

March

Admiral Miklos Horthy is elected Regent of Hungary.

June

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

1940

November

Hungary signs Axis Pact.

1941

June

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

1944

March

Germany occupies Hungary.

October

Regent Horthy is arrested by Germans.

December

Provisional government is established in Debrecen under Soviet auspices.

1945

January

Armistice agreement is signed in Moscow.

April

Hungary is liberated from Nazi rule.

November

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

1946

February

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

1947

**February**

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

**May-June**

Hungarian Communists take over the government.

1949

**January**

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

**February**

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

**September**

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

1952

**August**

Matyas Rakosi becomes Premier.

1953

**July**

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

**November**

Rakosi becomes First Secretary of Party Central Committee.

1954

**October**

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

1955

**April**

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

1955

**May**

Warsaw Pact is signed by Hungary.

**December**

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

1956

**February**

Bela Kun is rehabilitated.

**March**

Laszlo Rajk is rehabilitated.

uly

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

**October**

Revolt breaks out; Imre Nagy replaces Hegedus as Premier.

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

**November**

Hungary proclaims neutrality and withdraws unilaterally from Warsaw Pact.

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

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

**December**

United Nations adopts resolution condemning Soviet intervention in Hungary.

1957

**February**

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

**September**

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

**November**

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

1958

**January**

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

**June**

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

**December**

Party Central Committee decides to speed up collectivization.

1959

**November-December**

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

**1960****January**

Government reshuffle, Imre Kallai is made First Deputy Premier.

**March**

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

**1961****February**

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

**June**

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

**September**

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

**1962****February**

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

**April**

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

**August**

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

**October**

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

**November**

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

**December**

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

**1963****March**

Kadar announces dismissal of two government ministers who served under Rakosi, shifts others to different posts; amnesty is declared, affecting 2,000 to 3,000 prisoners; nearly all political prisoners from 1956 are released.

**May**

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

**June**

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

**September**

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

**November**

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

**1964****April**

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

**September**

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

**October**

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

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

**November**

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

**1965****February**

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

**May**

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

**June**

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

**November**

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

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

**December**

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

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

1966

April

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

May

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

November-December

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

1967

April

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

May

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

July

Hungary hosts Communist summit discussions of support for Arabs.

September

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

November

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

1968

January

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

February

Hungary hosts preparatory session for the World Communist Conference.

March

Premier Jeno Fock pays state visit to France.

April

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

June

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

July

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

August

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

September

Hungarian leaders publicly reassert their intention to continue gradual domestic reforms in Hungary. Hungarian ambassador to United States arrives in Washington.

1969

March

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

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

1970

January

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

November

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

1971

February

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

May

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

July

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

September

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

1972

February

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

## Glossary (u/ou)

ABBREVIATION	FOREIGN	ENGLISH
AVH	<i>Allamvedelmi Hatosag</i>	State Security Authority
AVO	<i>Allamvedelmi Osztaly</i>	State Security Section
BKH	<i>Belso Karhatalom</i>	Internal Security Troops (Interior Troops)
HO	<i>Hatarorseg</i>	Frontier Guard
HSWP (MSzMP)	<i>Magyar Szocialista Munkaspárt</i>	Hungarian Socialist Workers Party
IBUSz	<i>Idegenforgalmi, Beszerzesi, Utazasi es Szallitas, Rt.</i>	Touring, Money Changing, Traveling, and Shipping Company (Hungarian Travel Agency)
KGB	<i>Komitet Gosudarstvennoy Bezopasnosti (Russian)</i>	Committee for State Security (Soviet)
KISz	<i>Kommunista Ifjusagi Szovetseg</i>	Communist Youth League
KNEB	<i>Kozponti Nepi Ellenorzesi Bizottsag</i>	Central People's Control Committee
MALEV	<i>Magyar Legikozlekedesi Vallalat</i>	Hungarian Airlines
MDP	<i>Magyar Dolgozok Partja</i>	Hungarian Workers Party
MHSz	<i>Magyar Honvedelmi Szovetseg</i>	Hungarian National Defense Federation
MTI	<i>Magyar Tavisrati Iroda</i>	Hungarian News Agency
NEM		New Economic Mechanism
PPF	<i>Hazafias Nepfront</i>	Patriotic People's Front
PVOP	<i>Polgari Vedelem Orszagos Parancnoksaga</i>	National Headquarters for Civil Defense
SzOT	<i>Szakszervezetek Orszagos Tanacsas</i>	National Trade Unions Council
VKF/II	<i>Vezerkari Fonokseg II</i>	Military Intelligence Service
	<i>Elnoki Tanacs</i>	Presidential Council
	<i>Minisztertanacs</i>	Council of Ministers
	<i>Munkas Orseg</i>	Workers Militia
	<i>Orszaggyules</i>	Parliament
	<i>Rendorseg</i>	Civil Police
	<i>Uttorok</i>	Pioneers
	<i>Uzemi Orseg</i>	Industrial Guard Forces

### Places and features referred to in this Chapter (U/OU)

	COORDINATES	
	° 'N.	° 'E.
Adyliget ( <i>sec of Budapest</i> )	47 33	18 56
Balassagyarmat	48 05	19 18
Budapest	47 30	19 05
Csorna	47 37	17 15
Debrecen	47 32	21 38
Dunakeszi	47 38	19 08
Cyör	47 41	17 38
Kiskunhalas	46 26	19 30
Miskolc	48 06	20 47
Nagykanizsa	46 27	16 59
Nyirbator	47 50	22 08
Oroshaza	46 34	20 40
Pecs	46 05	18 14
Sopron	47 11	16 36
Szombathely	47 14	16 37
Tokol	47 19	18 58
Zahony	48 25	22 11
Zalaegerszeg	46 50	16 51



**SECRET**  
*NO FOREIGN DISSEM*

**SECRET**