

HUNGARY'S

FIGHT

by Zoltan Deak

FOR

DEMOCRACY

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By ZOLTAN DEAK

Editor of *Magyar Jövő*
Hungarian Daily Journal



NEW CENTURY PUBLISHERS
New York

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CONSPIRACY IN HUNGARY

A "Terrible Outrage"

The resignation of Premier Nagy of Hungary amidst unprecedented circumstances, and the assumption of the Hungarian premiership by another member of his Smallholders Party, Lajos Dinnyes, created a furor in the Anglo-Saxon countries, particularly in the United States.

Screaming headlines about the "Red Coup in Hungary" and the "Soviet's Bare-faced Grab" together with lurid stories about "Red terror" and "persecution of the friends of the West" filled the columns of most of our newspapers. In the Congress of the United States, the well-known "democrat," Rankin, demanded that the United States break relations with all "communist states." Senator Eastland decided that war with the Soviet Union is "inevitable." Senator Vandenberg, author of our "get-tough-with-Russia" policy, declared that we are confronted with "an apparently treacherous conquest" of Hungary by the Soviet Union, and prescribed a United Nations investigation, a procedure, incidentally, which he inexplicably overlooked when he helped work out our policy of aiding the corrupt Greek and reactionary Turkish regimes, later to be known as the "Truman Doctrine."

President Truman himself allegedly described the situation as a "terrible outrage." An outrage, indeed, had been committed, but it wasn't what our President had in mind. An outrage which is not confined to, or peculiar of, Hungary: the attempt of reactionary, fascist elements to return to power by conspiracy, by force, and by the indirect aid of "sympathetic" foreign powers.

Let us briefly review the circumstances of Premier Nagy's resignation and the events leading up to it.

On May 14, the Premier left Hungary for what was purported to be a three weeks' vacation in Switzerland. Even at that time there were hints that the premier's real purpose in going to Switzerland was to stay away from Hungary, and thus

avoid any possible changes in the cabinet, until after the ratification of the Hungarian peace treaty by the United States which was then pending in the Senate, and *to await the evacuation of the country by the Soviet occupation forces.*

Few people weighed the significance, or were even aware of the fact, that the premier's son, Ferenc Jr., as well as his daughter, had, months before, left Hungary. His son came to the U.S. on a "mission" (as it turned out later, carrying a private letter to Undersecretary of State Acheson) several months previously. Only his youngest son, the 4 years old László, remained in Hungary.

On May 29, the Soviet occupation authorities announced that the confession of Béla Kovacs, the Smallholder Party's arrested general secretary, contained incriminating references to Nagy and Béla Varga, the president of the Hungarian National Assembly, both Smallholder Party members.

The cabinet in Budapest immediately convened and decided to ask Nagy to return home and answer the charges brought against him. Instead of doing so, Premier Nagy, "in order not to increase the aggravated situation at home" sent in his resignation from Switzerland, at the same time protesting his "innocence." The Smallholder Party's political committee thereupon expelled him by unanimous vote.

President Tildy, in accordance with the Hungarian constitution, then appointed another member of the cabinet, to the post of premier: the Smallholder Party's Lajos Dinnyés, the Minister of National Defense, who since March 15 of this year served in Nagy's cabinet. There was another change in the cabinet: Foreign minister Gyöngyösi, whose conduct of foreign policies had for many months been under strong criticism by the parties of the Left Bloc, also resigned. He was not incriminated in the conspiracy. His portfolio had been filled by the Smallholder Minister of Information, Mihályfi.

As we can see, in spite of the changes in personnel, the political composition of the 18-member Hungarian coalition cabinet remained the same as it was constituted since the 1945 general elections: 9 Smallholders, 4 Socialists, 4 Communists and 1 National Peasant Party member.

President Tildy of Hungary, also a member of the Small-

holder Party, in a proclamation to his countrymen and to the world, announced that the political crisis was solved by *constitutional methods* and declared that foreign press reports of a "coup" and "disturbances" "*do not correspond with the truth.*"

Our State Department did not agree with the views of President Tildy. As soon as the news of Nagy's resignation came, and before investigating the matter further, it suspended a credit of 15 million dollars for Hungarian purchases of American surplus war materials. A 7 million dollar Export-Import Bank credit earmarked for cotton purchases was also suspended. Subsequently, on June 11, we sent a note to the Soviet Union in which these events were characterized as a "most flagrant interference in Hungarian affairs" and, hinting that the Communists took over control of Hungary, demanded a three-power investigation.

For some reason, our government does not always react in this manner to governmental changes which involve the exclusion of the representatives of very substantial strata of the population. While in Hungary, as we have seen, there had been no change in the composition of the governing coalition, in France, for instance, the country's largest party was excluded from the government. Yet, we did not propose to bring the matter before the United Nations. Nor did we demand three-power investigation in Italy where the representative of an even larger sector of the population are so excluded. As a matter of fact, we blessed the governmental changes in France by a sizeable grant of financial credit and the expression of our satisfaction. We proclaimed our pleasure over developments in Italy, too, while we turned thumbs down on poor Hungary's substituting one Smallholder with another in her government, and applied economic sanctions, which incidentally, we are reluctant to use against Franco.

And if we had enough Senator Eastlands and Rankins in our Congress we might be at war with the Soviet Union. Just for one Hungarian "red melon." (Dinnyés means melon in Hungarian.)

Or are there better explanations for the belligerent outbursts of the Eastlands and Rankins, for the cold fury of our

State Department, for the rantings of the turncoat former Hungarian minister, to Washington, Szegedy-Maszak or for the "amateurish" display of temper by Pres. Truman?

There are, indeed!

Conspiracy Without Quotation Marks

To understand them, we have to know a little more about Hungarian political developments, of which the American public had not been informed either too much or too honestly.

We should know a few facts about the reactionary conspiracy in Hungary which the millionaire press in America always puts in quotation marks. The very same press, let us not forget, did not take very seriously Hitler's, Laval's or Chamberlain's conspiracy against peace and democracy either. We and the rest of the world had to pay with the blood of our children to erase the quotation marks around the conspiracies of the enemies of the people. Americans should not be fooled again by quotation marks and should help those who fight reactionary conspiracies anywhere.

What Happened?

On January 4, 1947, the Hungarian Ministry of the Interior, the government agency entrusted with the protection of the internal safety of democratic Hungary issued the following statement:

"State security organizations in recent weeks discovered a dangerous and widespread anti-republican conspiracy. The leaders of this fascist plot and its members who have been arrested so far, are well known political and economic figures of the Horthy regime. The plot aimed at overthrowing by force the country's democratic and republican regime and restoring the Horthy regime, with claims based on 'legitimate succession.' They prepared the ground for the assumption of power by force and hoped to stage an armed military *coup d'etat*. They had decided that this *coup d'etat* should coincide with the signing of the peace treaty and the Soviet Army's departure from Hungary.

"The conspiracy was directed by a 'Committee of Seven' of whom the following are under arrest:

György Donáth
Domonkos Szentiványi
István Szentmiklossi
Bálint Arany
Károly Kiss
Dr. János Ember

"Each member had his strictly defined duties. Since the end of 1945, this committee met secretly each week to decide the various steps to be taken. It worked relentlessly for the disruption of the coalition government. The special task of the military leaders was to give armed support to a so-called 'counter government' and put it into power. (The formation of such government might have been one of the reason for Mr. Nagy's coming to the U.S.—Z.D.) The 'Committee of Seven' had not reached final agreement as to the composition of this government. In their view Col. Gen. Géza Lakatos (the last Horthyist premier before the Hungarian Nazi gang of Szálassy took power in 1944) has still not handed back to anyone the mandate he received from Horthy, therefore on the grounds of legitimate succession he is entitled to be premier.

"To organize the underground armed forces the 'Committee of Seven' established a so-called 'Underground High Command' of which the members and their duties were as follows:

Col. Gen. Lajos Veress de Dalnok, retired, Supreme Commander in Chief.

Maj. Gen. Sándor András, Chief of Staff.

Maj. Istvan Szentmiklossy, retired, Aide de Camp to Gen. Veress, Chief of Military Administration.

Lt. Col. Istvan Berko, Member, General Staff, Head of Intelligence Service.

Col. Tihamér Sóvári, Head of Supply Department.

Col. Joseph Fülöp, Head of Establishment.

"The 'Underground High Command' assumed this final form in the autumn of 1946 and issued its first communique on October 1, 1946. The members of the High Command, with the exception of Lajos Veress, who has fled, are under arrest." (Veress, too, was later captured—Z.D.)

This, then was the set-up of the conspirators. It does not

sound much like a conspiracy with quotation marks. These men were experienced politicians, and diplomats. The 'High Command's' members have been military leaders accustomed to organize and lead modern armies. When Horthy assumed power in 1919 he didn't have a better organized gang of criminals at his disposal.

The confessions of the conspirators in the court and the results of the investigation show that behind the conspirators there were influential foreign circles. The "Committee of Seven" had its men placed in the Hungarian missions at London, Paris, Milan, Geneva, and it is obvious, in Washington, too. To maintain this connection they utilized certain foreign missions in Budapest. Szentiványi's confessions contained this statement:

"Our men had contact with foreign missions. Salata had such contact. Kovacs personally negotiated with certain foreign representatives."

They had contacted former premier Kállay, who now enjoys the hospitality of certain Italian reactionaries. They dealt with young Horthy. To most of the Horthy agents Switzerland was the meeting place, particularly Geneva. A "Hungarian National Committee" was formed there whose most active member was *Baron Bakach Bessenyei*, formerly minister of Horthy with the Vichy government. The aim of this committee was to obtain power by military means, to call the *old* Horthy parliament together and restore Horthy as regent. Zoltan Szügyi, commander of the Horthyist St. Laszlo Division, who had been extradited to the Hungarian government as a war criminal, told the Hungarian court that Horthy told him to save the division. He did so, having surrendered it to the British *who kept it intact* near the Hungarian border in Austria. Szügyi told of having been in contact with conspirators Béla Kovacs and Balint Arany, before having been extradited to Hungary.

The Hungarian People's Court, after a lengthy trial, to which the foreign press had free access, and mainly on the basis of the confession of guilt of the accused, found them guilty of crimes against the safety of the republic and sentenced three of them, Donáth, Veress, and András to death by hang-

ing, and the rest of them to prison terms ranging from one year to life. [The death sentences of Veress and András had been later commuted to life imprisonment-Z.D.]

Reactionaries in the Smallholders Party

Not long after the discovery of the conspiracy it became apparent that the conspiracy had much wider ramifications than originally suspected, its tentacles having reached all the way up to the top leadership of the biggest party of the country, of the Smallholders Party.

Why did this Party, of all the parties of democratic Hungary, become the political base of the Horthyist conspirators, and of Hungarian reaction in general?

To understand this, we must realize, that in Hungary as well as in other formerly fascist-dominated countries, the old parties of the traitor ruling classes, the fascist and openly reactionary parties disappeared from the political scene with the defeat of Hitlerite Germany. But just because the parties disappeared, or went underground, does not mean that the social classes whose interests were represented and carried out by the fascist parties also disappeared. They remained, discredited, and curbed, it is true, but they remained. And soon after the defeat of fascism, these people, bankers, financiers, great landowners, middle class elements influenced by them, their hangers on and lackeys, people poisoned by fascist and nazi ideologies began to line up behind the ranks of the seemingly least dangerous democratic parties. They began to infiltrate into them first as members, later, due to their long experience in politics and administration, more and more as formulators and directors of their policies.

Thus we see the forces of French reaction, the men of the "200 families" rally around De Gaulle's new party, or the MRP, or in the new fascist "Liberty" party. In Italy the Christian Democratic Party and the "L'Uomo Qualunque" movement fall into this category. In Poland Mikolajczyk's Peasant Party became the base of reaction while in Czechoslovakia the former members of the fascist Hlinka Guard operate through the so-called "Democratic" Party.

In Hungary the reactionaries selected the Smallholders party

as the political organization through which they could operate with the best prospect of success for retaining their former power.

The Smallholders Party was originally formed by a Hungarian peasant politician, István Nagyatádi Szabó, in the early part of the century. After the first world war Nagyatádi sold out his party to the Horthy reaction and merged with Bethlen's "Unity Party" in 1922. In the early 1930's it was reorganized as the Independent Smallholders Party under the leadership of Ferenc Nagy, Zoltán Tildy and the notorious Tibor Eckhardt.

Immediately after the liberation of the country, the influx began of ex-landowners, financiers, rich peasants, members of the gentry, those sections of the population most infected with the virus of Horthy fascism, into the Smallholders Party. The anti-fascist progressive spirit displayed by the party during resistance and the early days of reconstruction disappeared and the party came under the influence of its right-wing elements.

Ever since the November, 1945, elections at which the Smallholders Party obtained 57 per cent of the votes, objective political observers in and out of Hungary clearly saw that the reactionaries of Hungary, who ran that unhappy country for centuries and who were deeply entrenched in the economic, political, administrative, religious, social and educational structure of the country, were not completely eliminated and they would make insistent and bitter efforts to regain their former political power.

The *Christian Science Monitor* had this to say on the issue on April 3, 1946:

"Chief forces of aggressive Hungarian reaction are political clericalism, resurgent feudalism, an exaggerated nationalism, anti-Semitism and outright nazism." . . . There does exist an extreme clerical element centered around Cardinal Mindszenty, which want to restore church lands and the old autocratic regime. Naturally, the great proprietors who lost their estates through Hungary's sweeping land reform, cooperate in every way with the clerical opposition. They are trying to recover their lost fields.

This was the situation, as seen by the *Christian Science Monitor* more than one year ago. That was before Hungarian reaction obtained the tremendous encouragement and impetus from Vandenberg's "get-tough-with-Russia" policy and from the Truman anti-Communist crusade doctrine! Can we imagine what effect it had upon Hungarian reactionaries?

In neighboring Austria, too, they correctly appraised the significance of the famous 57 per cent majority of the Smallholders Party. This is what the Viennese *Neues Oesterreich* wrote after the Hungarian election:

"The victory of the Smallholders Party in the cities can be explained only by the fact that the right wing of the party became the gathering place for reactionary and fascist elements. We in Austria know what a danger it is when enemies of a democracy get into the camp of democracy."

The fact that there is and had been the danger of a reactionary attempt to regain power in Hungary was admitted by none other than the run-away former premier, Ferenc Nagy, to the writer.

On the occasion of his visit to Washington, last year, with Deputy Premier Rákosi, Foreign Minister Gyöngyössi, and Justice Minister Ries, I interviewed him and asked him why reaction is still strong in Hungary. This is what he said:

"There are reactionaries not only among the large landowners but in the middle classes, too. That is why we had to remove so many thousands of them from public life. These strata of the population, of course, are anxious to bring back the past. But we don't have to be worried about this, because the workers, peasants, and intellectuals are ready to defend democracy. At any rate in our opinion one cannot successfully attack democracy from Gyöngyös (a city in Hungary where several Soviet soldiers were murdered by Hungarian fascists) or from Madrid."

Perhaps this is one of the reasons why Mr. Nagy came to—Washington.

Early this year (Jan. 20) Premier Nagy admitted that there were conspirators in the Smallholders party. Today he declares

that "I do not believe in the existence of a conspiracy aimed against the democratic form of government."

* * *

The infection of the party by reactionary elements was so obvious that from time to time the party had to cleanse itself of the too obviously reactionary elements. Thus in March, 1946, the Smallholders Party had to exclude 20 of their parliamentary members. This extreme right-wing group, under the leadership of Dezső Sulyok, later organized itself, upon the pattern of French fascists, into a so-called "Liberty Party."* Several other expulsions had been made but they did not prove sufficient to guarantee a basically democratic orientation for the party. As it turned out, sections of the leadership of the party were deeply involved in the subversive plans of Hungarian reaction to regain power.

A few weeks after the discovery of the conspiracy, Béla Kovács, the General Secretary of the party had been charged with participation in the plot. On February 25, 1947, the Soviet occupation authorities arrested him under charges of espionage directed against the Soviet Army and participation in forming secret armed groups which committed acts of terrorism and murders against members of the Soviet armed forces.

His confession incriminated Premier Nagy and Béla Varga. The resultant escape and resignation of Nagy precipitated the Hungarian crisis.

* It is interesting to note the composition of Sulyok's party, which also indicates to some extent the composition of the Smallholders Party from which it was formed. Of the 20 representatives who form its parliamentary bloc, seven are lawyers, five manufacturers or corporation directors, 4 are owners of fairly large estates, one is a physician, and one a writer. A member of this party [Drozdy] used to call the trade unions "the nests of mass terror."

On April 26, 1938, Sulyok declared: "The first ray of Hungary's resurrection shone when Horthy organized his army in Szeged, in 1919."

On May 7, 1937, he made a speech in which he called Hitler Germany's "great leader, who shook his nation from lethargy and gave them direction for decades, maybe for centuries."

This is the man who today calls Hungary a police state (*N. Y. Times*, June 12), who wants elections *a la* Greece in Hungary. Reports from Hungary say that his meetings are guarded by former SS men.

This is how it began in 1919, too. It is all decent mankind's concern that history should not repeat itself in Hungary or anywhere else.

II.

TARGET: DEMOCRATIC HUNGARY

No nation suffered longer or paid a higher price for freedom and democracy than the Hungarian people did. Their thousand-years' history is an endless struggle against foreign and domestic oppressors. Their ruling class time and again betrayed their national interest, having sold the country and its people first to the Habsburg house and later to German imperialism.

In giving birth to a democratic form of life, Hungary almost perished in the agony. But she survived and intends to hold on to her freedom and democracy.

When the four centuries old rule of the Habsburgs came to an end after the First World War—for which the Habsburgs and their Hungarian feudal lackeys bear a very heavy responsibility—the Hungarian people established an independent democratic republic under Mihály Károlyi. Hoover and the western European imperialists opposed it. With the help of their Roumanian boyar henchmen, the fascist regime of Horthy was foisted on them in 1919. Horthy and his gang used to brag that theirs was the first fascist government in Europe—and this was true.

In 1936 Horthy Hungary officially joined the Berlin-Rome Axis and from that time on its foreign policy was coordinated with that of German and Italian fascism. As an ally of Hitler and Mussolini, Horthy joined the Anti-Comintern Pact (Feb., 1939), later the Three Powers Pact (Nov., 1940), and finally entered the Second World War on Hitler's side. He helped in the attack on the Soviet Union and declared war on the United States on December 13, 1941.

Hungary Under the Horthy Regime

Before reviewing the accomplishments of the new Hungarian democracy, the destruction of which was the confessed aim of the conspirators, let us look for a moment at Hungary of the Horthy era, at the social and political conditions the

Hungarian reactionaries would restore in that long-suffering country.

The main occupation of the population, numbering 9,319,992 people in 1941, was agriculture. According to Professor Vambery (*Hungary, To Be or Not To Be*, p. 73) before World War I, 1,324 landed properties of more than 1,000 acres each, were entailed estates, occupying 19.3 per cent of the total area, whereas four fifths of the agricultural population owned properties of less than 20 acres or no land at all. After the defeat of the monarchy and dismemberment of Hungary, essentially nothing was changed. Even the propagandists of the Horthy regime were obliged to admit that after a so-called agrarian reform 140 families still possessed 17 per cent, and 1.5 million "landowners" but 3 per cent of all arable land. In 1937, the 1,232 largest proprietors owned estates larger than 1000 acres, averaging 4000 acres. On the other hand, the dwarf holdings (less than 5 acres), supposed to provide a living for 4.5 million peoples, totalled 1,364,000 and averaged 2.5 Hungarian acres (called yokes, or holds, one of which equals 1.42 American acre). Official statistics of 1938 disclosed that 2,960,000 agricultural laborers, that is, two-thirds of the population engaged in agriculture, owned no land or less than five Hungarian acres.

On the other hand, the Count Esterházy family alone owned almost a half million acres of land. The Count Festetich latifundium had 69,000; the Archdiocese of Eger 90,000; that of Esztergom 60,000 acres.

The working conditions on these mammoth estates were those of the middle ages—or worse.

"The masters," wrote Gyula Ilyés in his classic work on Hungarian peasantry, the *People of the Puszta*, "had full command over not only the labor of his hired men, but also over their body. The officials even the clerks, had the right to call in any peasant maid, to satisfy their lust whenever they felt like it. There is no exception and no appeal."

Parellel to the degradation of the agricultural population went unspeakable poverty. Out of a population of 9 million there were 1 million chronically unemployed. Three million

people lived at a level of near-starvation. The ratio of birth declined during the Horthy regime from 31 per cent in 1921 to 19 per cent in 1937.

81 per cent of the wage-earning population had a yearly income of less than 300 pengős, that is less than 50 dollars. While their share of the national income was only 44 per cent, *one half of one per cent of the population enjoyed 20 per cent of the total national income.*

Political Oppression in Horthy Hungary

Hand in hand with the unbounded economic exploitation of the workers and peasants went the political oppression of the population. Hitler was yet a political nonentity when Horthy already institutionalized fascism with mass murders at Izsák and Orgovány and scores of other cities, with concentration camps such as the one at Zalaegerszeg, with murdering socialist deputies (Somogyi and Bacso). Horthy and his "statesmen" Teleky, Kalláy and the rest of them, used to brag that their "Szeged Idea" (Horthy's counter-revolutionary government was organized in Szeged) was the pioneer of fascism in Europe. It was.

The workers of Hungary were degraded into a position of becoming Europe's worst exploited, politically most abused industrial population. Their organizations were stifled [today trade unions have 1,300,000 members]. Thousands of Hungarian workers were forced to emigrate to the Western European countries. The Communist Party was outlawed, its leaders, such as Rákosi, imprisoned on trumped up charges and many of their militant fighters executed. (Furst, Sallai, etc.)

While maintaining a silent alliance with certain Jewish captains of industry and finance, the Horthy government carried on a constantly increasing campaign of economic, and later physical extermination against the Hungarian Jews. Beginning with the discriminatory "*numerus clausus*" laws in the early 1920's, which limited their attendance in the universities, and culminating in the anti-Jewish laws modelled after the Nazis, which deprived the overwhelming majority of the Jewish popu-

lation of their livelihood, relegated them to pauperism, and finally delivered some 600,000 of them to the nazi fiends and their crematories at Auschwitz, the Horthy regime and its propagandists stand convicted before the bar of decent humanity as despoilers and murderers of their compatriots.

As early as 1942 Horthy and his gang came to realize that they chose the wrong side in the war and began their clumsy efforts to save their regime by making overtures to the Allies. Even before that the ruling clique of Hungary sent a special emissary to the Allies, in the person of Tibor Eckhardt.

Eckhardt, who, at the height of the bloody White terror, was the president of the murderous "Awakening Magyars" organization came to the U.S. in 1941 as a representative of that section of Hungarian feudalism which doubted Germany's victory in the war. American liberals time and again exposed him as a fascist. His lectures at Georgetown University in early 1946 contained all the elements of Hitler's Russophobia and Vandenberg's "get-tough-with-Russia" policy. That was not the first time this man lectured on the Soviet Union. On March 18, 1937, he was, in his own words "delighted to respond to the flattering invitation of the *Istituto per gli Studi di Politica Internazionale* of Rome to reciprocate "the friendship shown by Fascist Italy for my native land, Hungary."

Today, the miserable remnants of the traitorous Horthy regime are still working the old game of trying to capitalize on the differences between the Western powers and the Soviet Union. These wretched lackeys of the Hungarian regime, servants of a system which was ready to sell Hungary at all times to the highest bidder; to the Habsburgs, the French and British imperialism, later to Mussolini and finally to Hitler, today are loudly declaring their undying love for the United States. Just as in the 1930's Rome and Berlin were the Meccas of Horthyist traitors and their dupes, so today it is Washington. Otto of Habsburg, Eckhardt, Count Sigray, Chorin, for the moment even Cardinal Mindszenty are now all in the United States.

With the arrival of Ferenc Nagy the center and the headquarters of Hungarian reaction was transferred from Hungary proper to the U.S. In addition to Eckhardt who is

no novice in conspiracies and who never explained Horthy's role in training, on Hungarian territory, the murderers of King Alexander of Yugoslavia and Foreign minister Barthou of France in 1934, and such mysterious men as Victor Bator and one Bogdanffy, the American center of Horthyist, therefore fascist, influence is the American Hungarian Federation whose leaders often visit our State Department. The origin and character of this organization, which today demands a diplomatic break with democratic Hungary, should be known of the American public.

The June 9, 1946, issue of the Department of State Bulletin contained documentary evidence of the fact that at the time of the Sudeten crisis, on Sept. 16, 1938, Marshal Göering complained to the Horthyist minister to Berlin, Sztojai, who since had been shot as a traitor, that Hungary "was not doing enough in the present crisis."

Sztojai forwarded this complaint, on the same day, by phone to the foreign minister of Hungary who, in reply assured Marshal Göering that "Hungarian national elements and . . . the Hungarian press would from then on be more active."

The next day, that is Sept. 17, 1938, Wünscher, a liaison man of Horthy's Foreign Ministry, received a *committee of American citizens of Hungarian descent*, then visiting Budapest and urged them to start organizing a *propaganda campaign among Hungarian Americans*. He asked them to hide the fact that this is requested by the Horthy government. *He concretely suggested the re-organization for this purpose of the then dormant American Hungarian Federation*. This indirect order, subsequently has been reinforced by a cable from the Hungarian foreign ministry to a well known American Horthyist, Mr. Darago, then president of the Verhovay Aid Association. A few weeks later the American Hungarian Federation was organized in Pittsburgh. While Darago is not in the leadership anymore, other officers of that organization, such as Coloman Revesz, took his place there.

This organization, sired by Göering and Horthy, dares to speak in the name of American citizens of Hungarian descent and has entry to the State Department.

Hungarian Resistance

The question might be asked: did the Hungarian people take all this oppression, degradation, and finally the criminal war without protest, without opposition?

No, they did not. True, wide layers of the population were stultified by chauvinism, poisoned by anti-Semitism, infected by fascism; yet the best sons of the laboring classes, workers, peasants, intellectuals carried on an unequal, but never faltering struggle against the Horthy fascism, against the German enemy, against the Szalassy traitors.

The resistance against the war, in legal form, was organized particularly by the Social Democratic Party and the Small-holders Party, its main political form having been the "March Front." Underground, the illegal Communist Party carried on a struggle against the war. By Christmas, 1942, a "united front" independence movement was launched. Its program: "immediate cessation of hostilities and withdrawal of Hungarian troops from Russia, severance of relations with the Axis powers, establishment of freedom of speech, press, assembly, abolition of anti-Semitic laws, agrarian reforms." The Horthy regime answered by intensifying its terror. 664 Communists were arrested in the ensuing period. (*Time*, January 25, 1943.)

During the last months of the war, the struggle took the form of armed partisan campaigns against the Germans. In the mountains of the Bukk and the Matra, around the industrial districts of Miskolc and Diósgyor, Hungarian partisan units operated under Socialist and Communist leadership. Other partisan units were in action in the suburbs of Budapest, at Kőbánya and Újpest and were instrumental, among others, in preventing the destruction of some of the largest industrial plants of the country. Due to the efforts of the Pécs miners, all the mines of the district fell into the hands of the Red Army in good working order. The workers in the Csepel Island munition plants armed themselves, fought off the nazis and aided the Red Army landings on the island.

However, the more ambitious plan of the heroic Endre Bajcsy-Zsilinszky and his comrades in arms, Janos Kiss, Jenő

Nagy and Vilmos Tartsay, to form a resistance army in cooperation with the Soviet forces was frustrated. They were betrayed and after indescribable torture all of them were executed by Hungarian nazis in December, 1944.

From Ruins to Resurrection

No sooner had the Red Army liberated a corner of Hungary, and while its forces were engaged in the war's fiercest battles with the retreating German armies, then it permitted, in fact encouraged, the democratic Hungarian elements to take steps for establishing a democratic state. This is the form "Soviet interference" took on that particular occasion. It is especially notable if we consider that Horthy's troops were guilty of some of the worst atrocities against the Soviet state and its population.

In December, 1944, elections for a Provisional National Assembly were held in the liberated territories. The deputies in Debrecen laid down the foundations of a new state in a completely destroyed country.

The Debrecen National Assembly counted 230 members, consisting of 35 Social Democrats, 68 Communists, 56 Smallholders, 15 National Peasant party members, 13 Democratic Citizens Party, 21 trade union representatives. On December 21 this Assembly elected a Provisional government with General Bela Miklos as premier. The government represented all the parties which had taken part in the national resistance movement. The Provisional Assembly was broadened when Budapest and Trans-danubia were liberated.

The new government declared war on Germany December 30, 1944, and signed an armistice with the allies on January 20, 1945, in Moscow. The terms specified Hungarian military aid against the nazis, restoration of the 1937 boundaries, \$300,000,000 reparations in kind, and rule through an Allied Control Commission.

Few governments ever undertook the resurrection of a nation amidst more heartbreaking and hopeless conditions. There was no administrative force left in the country, almost all of them fled with the nazis. The government had no funds

to pay for anything or to anybody, including the members of the government and the members of the Provisional Assembly. Transportation was non-existent. Only four percent of the rolling stock remained in the liberated territory and even half of that could not be used. The few locomotives still available could not be used for there was no coal. This really did not matter, for even if there were locomotives and coal, it wouldn't have done any good: there were no railway lines and no railway stations, they were all destroyed. Since it was mid-winter, they couldn't utilize the rivers. But even if the rivers were not frozen over, they didn't have the river boats; the Germans took them away 100 percent.

According to available data the total war loss of Hungary's material wealth, at 1938 prices, was approximately 22 billion pengős, the equivalent of \$4,330,000,000. In 1938, the Hungarian national income was 3.9 billion pengős, which means that Hungary lost nearly six years of her total national income due to the war. More than half of this stupendous loss was in the means of production and transportation.

In less than two years the workers of Hungary, under the peerless leadership of the Minister of Transportation, the Communist Gero (The "hidverő," or bridge builder, as he is affectionately called throughout the length and breadth of the country) rehabilitated the entire transportation system of the country! Not a single one of the 15 great Danubian bridges were left intact by the Germans. Altogether 1,415 other bridges were destroyed. Today there are in Budapest alone three mighty bridges rebuilt, while elsewhere 128 bridges had been completed and 530 others repaired. Of the damaged 900 locomotives, 631 had been completely rebuilt by August, 1946. The transportation system of Hungary is functioning almost normally today, even though the conveniences and furnishings are not up to western standards yet.

Similar are the accomplishments of the Hungarian workers in other sectors of the national economy. As a result of the war about 90 percent of Hungary's 4,364 industrial plants suffered more or less serious damage. Furthermore, the Germans and their Hungarian accomplices, when they saw they could not hold Hungary, removed to the west the complete

equipment of 250 of Hungary's largest industrial plants, the gold reserve of the National Bank (which was later returned by the U.S.). They took the fire fighting apparatus of every Hungarian city, the equipment of 80 of the biggest hospitals, almost the entire livestock of the country.

What is the situation today?

"National unity . . . has permitted Hungary to outstrip virtually every other occupied country in economic reconstruction. . . . Coal output has been restored to 82 per cent of prewar level and industrial production to 65 per cent. (World Report, July 15, 1947.)

While the Hungarian workers, peasants, intellectuals accomplished miracles in rebuilding their country, they did so, for a while, amidst constantly deteriorating living standards. A considerable portion of the output of industry had to go for reparations. The yield of agriculture, due to the destruction and removal of equipment and draft animals plus a severe drought, was exceedingly low. The resulting critical shortage in food and other necessities presented the enemies of democracy with an opportunity for creating economic chaos through inflation.

By the spring of 1946, inflation was in full swing, to reach fantastic proportions by midsummer. On July 6 it took one quintillion pengős (1,000,000,000,000,000,000) to equal the peacetime standard of value.

Hungarian democracy again proved equal to the task facing it. The inflation was overcome by the introduction on August 1, 1946, of a new monetary unit, the forint, backed up with adequate reserve. But the memory of the misery that inflation caused will long live in the minds of the people.

The Land Reform

One of the greatest single accomplishments of the young Hungarian democracy was the land reform.

As a result of the special historical development of Hungary, it was left to the initiative of the working class to carry out the long overdue land reform, which in most Western European states had been accomplished by the bourgeois revolutions centuries ago.

"Within 18 months," wrote Leland Stowe, in the April, 1947, issue of *Foreign Affairs*, "one of Europe's chief strongholds of medieval feudalism had been liquidated. 'Landlordism' could never be returned."

Altogether some 642,000 landless poverty-stricken peasants obtained land on the basis of the Land Reform Act, decreed on March 15, 1945.

The area of land which was distributed among the land hungry peasantry was 34 percent of the present territory of the country and embraces 5,600,000 yokes. Of this 539,000 yokes were confiscated from traitors and enemy collaborators, while for the rest compensation is being paid. Included in the land distributed were 800,000 yokes of land taken from the higher clergy. At the same time the claims of poor parishes and the lower clergy were taken into consideration, and more than 25,000 yokes of land were distributed among them.

Through the land reform 396,000 entirely new land holdings were formed. In addition 247,000 dwarf estates were augmented by land allotments. The average size of land parcelled out to a single claimant was approximately five holds. Anti-nazis and other fighters for the liberation were rewarded with lands up to 300 yokes, while all original estates of more than 1,000 yokes were expropriated, and former owners could not hold more than 100 yokes (142 acres).

In the process, the state took over 1,509 castles and manor houses and some 11,000 acres of adjacent private parks. The government is converting them into hospitals, sanatoria, schools and rest houses.

As a result of this historic, progressive measure, the centuries' old rule of a few thousand great landowners ended in Hungary, and *the way was opened for millions of peasants to participate in running their own country, a right which previously was strictly reserved for the overlords of Hungary and the social strata influenced or bribed by them.*

The Electoral Reform

"Red Hungary Robs 500,000 of Vote."

Many American newspapers published the news of the con-

templated revision of the Hungarian electoral law under this hysterical lying headline.

The reason for this outburst was, the announced intention of the Hungarian government to redraft its electoral law in view of the experience gained during the past two years.

The present electoral law was put into effect by the Provisional National Assembly in 1945. It is based on the principle of general, equal, secret, and direct elections. It is not only by far the most liberal in Hungarian history, but it compares favorably with the electoral laws of the world's most advanced democracies.

As a matter of fact Great Britain had been a democracy for 200 years before it granted the right of vote to the workers. In our own country, 170 years after the Declaration of Independence and 160 years after the adoption of the Constitution, the majority of the population in several states is still disfranchised (poll tax, etc.).

Precisely as a result of sensitivity to Western criticism, the electoral law of 1945 was too all-inclusive. It granted the franchise to everybody above the age of 20. It needs no comment to understand what this means if we take into consideration the established fact that fascist ideology had particularly infected the youth in the former fascist countries.

What is more serious, only the principal war criminals were barred from the right to vote, while the so-called "little" nazis, hundreds of thousands of them, could vote. Learning the lessons of the conspiracy and conscious of its duty to defend democracy, the Hungarian government wants to eliminate the registered or convicted nazis and fascists.

Before we condemn the Hungarians for this measure of self protection, let us remember that after the Civil War, our government, too, suspended the suffrage of a large number of citizens in the rebel states to protect the interest of the nation as a whole.

Let us, in conclusion, examine the results of the 1945 General elections, in which the Smallholders Party obtained 57 per cent of the votes.

Here's how the votes were divided in the 1945 elections. (Let us note, in passing, that out of 8,656,000 people, 4,765,000

voted—92 per cent of those entitled to vote. In 1935, only 2,402,000 voted, only about half of those who voted in 1945.)

Smallholders Party	2,691,000	57 per cent
Social Democratic Party	822,000	17.4 per cent
Communist Party	801,300	17 per cent
National Peasant	323,000	7 per cent
Others	82,000	1.7 per cent

The three parties of the left, Socialist, Communist, National Peasant, as we see, obtained more than 41 per cent of the total votes.

We cannot form a correct view of the Hungarian situation unless we take into consideration that this 41 per cent contains those decisive forces in Hungary who were, in the main, on our side during the war: the most democratic, progressive strata of the population, the industrial workers, the small peasants, the progressive intellectuals. Without them there would be absolutely no hope for a stable Hungarian democracy. Without them Hungary would again become what it was: an economic and political adjunct of Germany, of the war mongers, a tool and victim of domestic and foreign reaction.

The Three-Year Plan

The government crisis in Hungary had its immediate causes in economic controversies, more than in politics, claimed Tibor Mende, financial editor of the European edition of the *Herald Tribune*.

This is true to the extent that *underlying all political developments there are economic factors*. Mr. Mende's contention is worth noting for the additional reason that it gives us an opportunity to examine the economic perspectives of Hungarian democracy, particularly the Three-Year Plan.

The Plan was worked out originally by the two working-class parties, the Communists and Socialists. The plan is to go into operation on August 1, 1947, and continued industrialization of the country is aimed at raising the living standards, by 1951, to some 15 per cent above the 1938 level.

Here are some of the details:

Mining would be raised to	148 per cent of the 1938 level
Steel and iron production to	153 per cent of the 1938 level
Machine industry to	147 per cent of the 1938 level
Textile industry to	121 per cent of the 1938 level

To carry out the plan the government would have to invest approximately 585 million dollars (1938 purchasing value). Of this about 150 million dollars would go to industry, 150 million for further rehabilitation of transportation, 182 million to modernization of agriculture, 50 million for housing, 50 million for rural projects, schools, nurseries and other public welfare institutions, etc.

While the Smallholders Party approved the concept of the Three-Year Plan, serious differences arose among the coalition parties in regard to its financing. The Communists and Socialists insist that the Plan should be executed with minimum foreign loans, while the Smallholders are reported in favor of loans from the West. As Mr. Mende said: "*The Smallholders were said to hope for a strengthening of their more conservative approach to the country's problems through Western financial help*".

The Bankers Who Controlled Hungary

The Communists also insisted that nationalization of the country's major banks was an indispensable preliminary for the successful execution of the Three-Year Plan. These banks control 60 per cent of the basic industry, and in politically unreliable hands, could effectively hinder the execution of the Three-Year Plan. *The big banks, furthermore, have close ties with with Western financial institutions and other circles. The Smallholders Party, furthermore, uniting all of the conservative and clerical interests in Hungary has close contacts with the financial leadership of the country embodied in the big banks, asserts Mr. Mende, displaying a keen appreciation of the political realities in Hungary.*

When, during his absence, the Supreme Economic Council of Hungary appointed controllers for the country's 13 largest banks, Mr. Nagy knew that in addition to the revelation of his involvement in the conspiracy, the economic base from which Hungarian reaction could operate is rapidly narrowing. This might have had something to do with his refusal to return and "face the music."

We present here a brief picture of the set-up of Hungary's largest banks so that the reader may appreciate some of the problems a people's democracy is confronted with:

The president of the Commercial Bank of Budapest is a former foreign minister of Horthy, Lajos Walko. Among its board of directors we see Prince Batthanyi Strattman (his estate of 18,000 acres divided in the course of the land reform); Count Hadik (2000 acres; member of the family is in New York), Count Somsich, Count Széchenyi, Count Moric Eszterhazy (former premier under Emperor Charles), Dr. Purgly, Horthy's brother-in-law.

In the Credit Bank the roster of the owners and directors is even more interesting. *This powerful financial institution is a veritable meeting place of international finance capital and Hungarian feudal capitalism. Here the French 'Banque des Pays du Nord,' Schneider-Creusot, Union Parisienne, the British Pierson-Midland and Rotschild interests meet the Hungarian Andrassy, Klein, Kállay, Ullman, Vida Perény, Kornfeld and Fejérváry bank and industrial groups, and their representatives.*

The Anglo-Hungarian bank is run, among others, by the father-in-law of Horthy, Count Edelsheim-Gyulai and by Louis Károlyi. The Board of Directors of the Discount Bank contains the name of Count Pallavicini, while in the City Savings Bank Prince Anton Eszterházy, who was relieved of an estate of 51,000 yokes, has a large interest.

It is obvious from the above that the financial control of the banks, and, through that, of the economic life of the country is to a very considerable extent in the hands of the former rulers of the country, who, while they were deprived of their land holdings, are not at all powerless or poverty stricken. The loss

of their lands and much of their political influence makes them that much more determined to regain their former role in the nation.

They have powerful allies in and out of the country.

THE TRUMAN DOCTRINE AND HUNGARY

III.

The rise of the new people's democracies in Eastern Europe, among them the democratic republic of Hungary, was one of the most momentous results of the Second World War.

In that part of the world, where the previously prevailing political, social and economic conditions furnished the sparks for the outbreak of two world wars, both of them involving the United States, new democratic states are arising. These states are of such political and social structures as to lay the basis for a peaceful development towards an equitable social system, which would and could bar forever the scourge of poverty, oppression, national hatreds, blighting this part of Europe for centuries.

Under the influence of American monopoly capital our government has assumed a dogmatic and reactionary attitude in regard to these new types of democracies. This attitude does not take into consideration the basic historical fact that new social and political organisms cannot be ordered according to preconceived ideas, cannot be straightjacketed, and, above all cannot be made to retreat or reverse their growth.

Our great president, Franklin D. Roosevelt, clearly understood this:

"Democracy is not a static thing. It is an everlasting march." (Address at Los Angeles, Oct. 1, 1935.)

The Truman Doctrine is opposed to this "everlasting march." It does want to keep social and economic conditions static throughout the world, by "bribing and intimidation," by "fighting ideas with force," by arming reactionary governments, as Wallace so emphatically pointed out in his great Washington speech on June 16, 1947.

* * *

The application of the Truman Doctrine in the Hungarian crisis, in the form of suspending our financial aid to that long-suffering country, our note to the Soviet Government, the circumstances of Nagy's coming to the U. S., gave a tremendous

lift to Hungarian reactionaries and fascists. It had the effect, as the Soviet reply noted, of "attempts under the disguise of defense of Hungarian democracy to render support to separate individuals, who, having entangled themselves with conspirators, fled abroad from their people."

Emboldened by foreign reaction, the enemies of Hungarian democracy came out of their hiding places and for the first time since the liberation openly flaunt their hatred of democracy, slander the government and demand foreign intervention. The even rhythm of peaceful reconstruction is interrupted by riotous meetings reminiscent of the first years of the Horthy terror organized by the fascist Sulyok party, where former SS men are employed as strongarm men.

* * *

Americans are rightly alarmed over our policy toward the new European democracies in general and toward Hungary in particular. Wallace is unceasingly warning the people of the United States that our policy leads to depression at home and war abroad.

The liberal press, the *New Republic*, the *Nation*, and even such dailies as the *Trentonian*, warn the country of the possible consequences of this policy:

"If we permit the old mistakes to be made, if we permit our statesmen to pursue a senseless, greedy, war-begetting policy, unchallenged, we may be sending our sons and our resources into another world conflict without direction and without purpose."

This is the conclusion the *Trentonian* reached in its editorial of June 10. It reached these conclusions on the basis of a remarkable report on the Hungarian situation which appeared in the Spring, 1947, issue of *Public Opinion Quarterly*, of Princeton University. It was written by Mr. O. W. Riegel, a former diplomatic attache to the American Legation in Budapest, where he served, practically since the liberation of the city, as Chief Public Affairs Officer, in charge of OIC activities. Few Americans had an opportunity to observe the developments in Hungary from a more strategic position than

he did. While his report was written before the recent political developments in Hungary, it furnishes complete background for the events leading up to the current situation. The report, the result of unbiased scientific analysis, "*presents an indictment of the so-called Truman Doctrine,*" emphasizes the *Trentonian*.

"Hungary is not a police state, there is no terror and no iron curtain. If there is any curtain, it is more like chicken wire with a good many holes punched in it," says Mr. Riegel in his report.

About Soviet policy toward Hungary Mr. Riegel has this to say:

"The Soviet policy is based upon the proposition that Hungary cannot be allowed to become a potential member of an anti-Russian Western bloc. (They remember that) American generosity and concern for 'busted' Germany after World War I was followed by the rise of fascist aggression and World War II. The Russians know that fascism and neo-fascism, with their offshoots of anti-Semitism and clerical reaction, are still strong forces in Hungary.

"To the question: 'What is Russia up to?' the answer is fairly clear: The Soviet Union does not want an anti-Soviet state on its border. At the same time, Russia has permitted a great deal of free political activity which makes Hungary very notably different from 'police states.'

[This is strongly corroborated by *World Report* staff correspondent Robert Kleinman; "Hungarians, by and large, are still running their own government and economy. . . . Soviet military courts have tried only half a dozen Hungarians in six months. American military courts in Germany exceed that number in a single day."—July, 1947.]

"*The Russians see that Americans gravitate toward the most dubious elements remaining in Hungary, the remnants of the gentry, industrialists and financiers, the higher clergy and the motley assortment of fascists and opportunists who have hatred for Russia.* (My emphasis—Z.D.)

". . . The situation calls for great restraint, tact and clarity of purpose. What has happened so far has been an encouragement for Hungarians to choose sides. *We must convince Russia, by deed as well as word, that we are not trying to*

reconstruct a fascist state (in Hungary) as a member of an anti-Soviet economic bloc. . . . Our representatives must follow an impartial middle course which will discourage our too-loving admirers of the reactionary right.

"We should be willing to work with Russians in a place like Hungary in the general interest of a peaceful world. . . . Our success or failure in Hungary, both with Russians and Hungarians, depends upon the attitude of the American people at home. It may be argued, for instance, that our ambiguous, provocative, anti-Russian impression upon Hungary is an accurate reflection of the collective policy of Americans. If so it is all the more important that Americans understand the impact of their policy in the critical areas of the world."

A policy which results in encouragement of fascist elements anywhere in the world, a policy which evokes the admiration of the reactionary right, a policy which applies the economic squeeze upon a wartorn country whose people want nothing but the opportunity to rebuild in peace, such a policy is not, cannot be "an accurate reflection of the collective policy" of the American people.

The American people still hold "these truths to be self-evident":

"We shall not be able to claim that we have gained total victory in this war if any vestige of fascism in any of its malignant forms is permitted to survive anywhere in the world."

(Pres. Roosevelt to Congress, Sept. 14, 1943.)

Democratic Hungary is now fighting the comeback attempt of vestiges of Hungarian fascism.

"Let us remember . . . that economic safety for the America of the future is threatened unless a greater economic stability comes to the rest of the world."

(Pres. Roosevelt's message to Congress Jan. 7, 1943.)

The American people realize that such stability cannot come to a world when we use our tremendous wealth to "*drive progressive countries away from dynamic democracy, and toward reaction.*" (Henry A. Wallace.)

The American people did not forget, and insist on the carrying out and implementing in the present Hungarians situation, too, the behests of our great President Roosevelt:

"If the world is to be a place in which peace is to prevail, there must be a more abundant life for the masses of the people in all countries." (Address to ILO, Nov. 6, 1941.)

and:

"Only with continuing and growing cooperation and understanding among our three countries and among all the peace-loving nations can the highest aspirations of humanity be realized—a secure and lasting peace. (Yalta Agreement.)"

Let us therefore send to Hungary American tractors, food and machinery instead of secret notes to dubious elements there. Let us import the product of Hungarian industry and agriculture instead of the agents of reaction, conspirators and enemies of peace. Let American industrial power and economic strength be used for rebuilding the world instead of for rending it asunder.

Such is the path of peace. Only such a course is worthy of the nation of Jefferson, Lincoln and Roosevelt.

* * *

Progressive American citizens of Hungarian descent feel that in giving their moral support to democratic Hungary, they defend the best interests of our American democracy and of the American people, too.

They know that those who conspired against the new Hungarian democracy would not stop at chaining the Hungarian people, just as Horthy in 1919 did not stop at enslaving Hungary but ultimately chained it to Hitler nazism and Japanese imperialism.

Thus the road from the "Szeged Idea" of Hungarian reaction is an unbroken one and leads through Rome, Berlin and Munich to . . . Pearl Harbor. It is not without significance that the neo-fascist Sulyok "Liberty" Party chose Szeged to unfurl the black flag of Hungarian reaction. The road from Szeged to Pearl Harbor must not be travelled again.

WILLIAM Z. FOSTER'S

eye-witness report on

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