

Nagy to take Hungary out of the Warsaw Pact and align it with Austria outside the Soviet security system. As the United States representative pointed out to the NATO Council, the Soviet's declaration of October 30 could be interpreted as not applying to a non-communist Government.

8. The first Soviet statements about their readiness to negotiate for the withdrawal of Soviet troops were made before Nagy's declaration of Hungary's withdrawal from the Warsaw Pact. Even after this declaration, as additional troops were being moved into Hungary, the Russians agreed to a meeting between the Soviet and Hungarian military commands on November 3 to discuss withdrawal. The seizure of Nagy, allegedly for condoning the counter-revolution, at the time negotiations were actually in progress, must be seen as an act of duplicity comparable only to the imprisonment of the sixteen Polish leaders who were asked to come to Moscow in 1945 to discuss the future government of Poland.

9. A new puppet government of "workers and peasants" has been set up, headed by Kadar, who has accommodated himself to the new situation. It includes Apro, a supporter of the Nagy programme; Munnich, a former Rakosi associate (Defence and Internal Security); three former socialists and left-wing syndicalists, compromised by long collaboration with Nagy; and Horvath, dropped by Nagy as Foreign Minister and now restored to the post. The stated aims of the puppet régime set up by then Soviet high command, as announced by Radio Moscow on November 4, are given in an annex† to this memorandum. They appear designed to persuade the Hungarians that "democratization" will continue, but the phrases about national independence will seem very hollow to a people subjected to ruthless military repression for going too far and too fast. At the time of writing the rebellion was almost over though pockets of resistance were still holding out.

10. With this chronology of events before us, we must try to analyse the significance of the drastic measures to which the Soviet Union resorted in order to impose its will on a rebellious Hungary.

11. The first important thing to be kept in mind is that the Soviet Union is experiencing grave difficulties in its control in Eastern Europe. These difficulties stem from the Soviet rapprochement with Tito, the doctrine on "differing paths to socialism" adopted by the Twentieth Party Congress, the strong nationalism of the countries of Eastern Europe, the failure of ten years of Soviet control to improve the standard of living of the satellite peoples, and in most of these countries the disastrous failure of the economic programmes. For a wide variety of reasons, the Soviet Union would probably still like to work out a new relationship, based on the declaration of October 30, which would maintain the close relationship between the USSR and its satellites but would leave the satellites with a greater measure of independence at least as to internal policy. But this will depend in large measure on their estimate of the military situation.

12. The Soviet interest in the satellites is political, economic and strategic. It must be recognized that the Soviet Union considers it essential:

(a) that the satellite régimes be at minimum well-disposed to a close or at least friendly relationship with the USSR;

(b) that the Eastern European economies continue to be closely linked with that of the Soviet Union; and

(c) that, either through the presence of Soviet forces or the maintenance of effective satellite military forces willing to align themselves with the Soviet Union in the event of war, the satellites continue to provide defence in depth to the USSR.