

The History of Hungarian Foreign Policy under the Kádár-era

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Abstract

Modern Hungarian foreign policy, especially that of the 20th century can hardly be called a success story, since – with minor interruptions – it is characterised by constant position loss together with a decrease in Hungary's political and economic weight. The after effect of 1956 besides its internal consequences was one of the main foreign affair issues of the early Kádár era. After the years of reprisal, the more open and more pragmatic Hungarian foreign policy was evident from 1963 and tried to use and widen its elbow room besides being a faithful ally to the Soviets.

Key words: Hungary; foreign policy; communism; kádárism; transition; bilateral relations; soviet bloc

Subject-Affiliation in New CEEOL: History – Recent History – Post-War period (1950-1989)

1. Starting point

The analytical aspects of the history of Hungarian foreign policy

A millennial heritage affecting the character of Hungarian foreign policy is the country's being nipped between the West and the East, which means dual determination due to the two kinds of orientation and civilizational directions. Like in neighbouring nations, this situation created a special Intermediate Region character, a kind of 'Central-Europeanisation', a kind of special entity which stands to the West by its own resources, but in most cases is forced to drift to the East.¹

From a Hungarian viewpoint, the basic dilemma is the lack of joint realisation of national unity and sovereignty; it is one of the tragedies of modern Hungarian history that either one of them or the other one is missing. National unity was realised with the lack of sovereignty (within the Austro-Hungarian Monarchy), and when the country became sovereign, national unity disappeared. The independent Hungary could never be a real nation state containing all Hungarians.

Another determining phenomenon of the past two centuries is the constant conflict between the national majority and the minority. In times of national unity, the large number of nationalities, while in times of independent statehood, the Hungarian nation parts living in the neighbouring countries reproduced the majority-minority problem.

¹ The region between the lands lived by Germans and Russians has different names, the present paper consistently uses the term 'Intermediate Region'.

A cardinal source of conflict of Hungarian (foreign) policy, especially of the political conditions of the Carpathian Basin is the border issue that is constantly on the agenda. The border between Western and orthodox Christian civilisations goes through this area, what is more, political and ethnic borders have never ever overlapped, thus state boundaries have caused constant political conflicts.

Modern Hungarian foreign policy, especially that of the 20th century can hardly be called a success story, since – with minor interruptions – it is characterised by constant position loss together with a decrease in Hungary's political and economic weight. The importance of Hungary in Europe is far more modest than it was at the beginning of the 20th century.

Since the peace treaty ending World War I, a determining characteristic of 20th century Hungarian foreign policy has been the so-called Trianon-syndrome, which has more meanings. It mainly means the separation of the terms 'state policy' and 'nation policy' and the clash of the aims of these two. The previous means the policy serving Hungarian citizens and the latter means the policy serving all Hungarians including those ones in minorities. It is still an unsolved problem how a good relationship with both the neighbouring countries and the Hungarians beyond the borders could be established. However, Trianon also means separation, ecological dependence, more unfavourable economic endowments, and 'small state' misery.

Peace treaties after World War I had determined the fate of Hungary and that of the Intermediate Region, as they contributed to the destabilisation of the area and to the aggravation of the relations among the nations and states found here, what's more, the headway of Nazi Germany in the region, World War II as well as the decades of Soviet regime originated from the consequences of peace treaties. (Jeszenszky 1993, Kiss 2004)

The Communist Hungary before Kádár

Communist takeover was attained everywhere in the Soviet sphere of influence in Central Europe until summer 1948. This happened in Hungary, too.

Hungarian foreign politics had a very narrow scope of action already between 1945-48 and these possibilities came to an end after the process of "sovietisation" which means that in reality Hungarian foreign politics did not exist. An unambiguous and absolute pro-Soviet orientation commenced in foreign affairs so Hungary became a subjugated nation and a satellite state of the Soviet Union. Soviet interests were predominating within the bloc.

The line of the Hungarian foreign politics unconditionally adjusted itself to the Soviet Union. The goals of the new political system in foreign affairs were the followings: fight against the imperialist powers and their global system, "policy of peace", tight alliance with the SU and people's democracies.

With certain exaggeration, Hungary sank to the level of a member republic of the SU; decisions were practically made by the Soviets. Stalin decided in all crucial questions and the SU was directly supervising these countries. The secretary-generals of the Communist Parties in every single country became the local decision makers. It was Mátyás Rákosi in the Hungarian politics and foreign affairs who did not take independent steps in the foreign politics of the country but he fulfilled

the expectations of the Soviets and he often turned to them for advice as well. (Békés 2004, Romsics 1999)

In the mid-50s, due to the promising international events (the Yugoslavian, Polish and Austrian development, the success of the non-aligned movement) hinted that satellite countries might have elbow room within the bloc. As a result of Eisenhower's liberation policy many hoped for substantial help from the West.

The revolution breaking out on October 23rd took everyone abroad by surprise. The elbow room of the revolution was defined by internal developments, the foreign environment and the reaction of the Great Powers, primarily the actions of the Soviet Union and secondarily America and its western allies.

1956 did not have a chance - neither from the Soviet Union nor from the West - just like so many times before, Hungary did not decide on its own fate. The Soviets protected their invaded territories under all circumstances and the West could only change this by serious military confrontation which they did not want to take on. (The two super powers never took the risk of an armed conflict during the Cold War) A stronger presence from the West might have changed the Soviet attitude and the Hungarian events, but most probably this would not have forced Moscow to retreat. (Békés 2006, Gati 2006)

The Revolution and its suppression did not influence the relationship between the East and the West because the Soviets made order in their own bloc and did not endanger the Status Quo. 1956 caused a World Crisis for a couple of months, but did not result in a permanent tension between the two blocs and the "thawing" continued. The liberation policy of the USA however came to an end and they turned to a gradual, step-by-step "softening" policy of the Sovietised countries. For Hungary, the Revolution had one very important impact, which still has its effect today; Hungary's foreign judgement became very positive. (Békés 2007)

In 1956 it became evident that the people and societies in this region did not want a Soviet type system but could not liberate themselves on their own and the West did not help so they had to resign themselves to the circumstances. Overthrowing the system and leaving the bloc was only possible if the Soviet Union was weakened. 1989 showed that this is the actual and only possible way.

2. The early years (1956–1964)²

The years of reprisal (1956–1958)

After the Soviets agreed with Kádár on the wide spread reprisal, the Revolution was declared a Counter-Revolution the outbreak of which was reduced to four reasons: the sins of Rákosi-Gerő clique, Imre Nagy and his betraying circles, the national reactionaries and the intervention of the imperialists. Summary jurisdiction, mass reprisal began, 20 thousand prison sentences, 230 death penalties were handed over. In the surrounding socialist countries there were several manifestations of sympathy, sanctions followed, but not in Poland, mainly in Romania. (Békés 2007)

² First of all Békés 2004, Békés 2006, Békés 2007, Huszár 2003, Huszár 2006, Romsics 1999, Herczeg-Arday-Johancsik 2001, Kalmár 1998, Baráth 2003.

The national freedom fight was logically followed by condemnation of nationalism and the neglect of national identity. Such pure internationalist approach within the bloc was only found in the DDR. The country did not care about Hungarians outside its own borders for decades.

On May 27, 1957 the Hungarian-Soviet agreement was signed on the temporary stationing of Soviet troops in Hungary. Both parties agreed that the sustainability of the illegitimate new communist power, rejected by society can only be ensured this way.

The abduction and assassination of Imre Nagy – international relations

Imre Nagy's fate was decided partly by the Soviet leadership, partly by other communist brother parties and last by János Kádár – in the name of scapegoating.

There was a deadlock situation in case of Nagy who fled to the Yugoslavian Embassy. They could not leave the country because of the Soviet intervention but they were not extradited to the Soviets either. Tito was in a trap as well, he simultaneously supported Kádár, the intervention and Imre Nagy by granting him asylum. Nagy refused to resign and acknowledge the rival government while the Soviets and Kádár wanted to call him the leader of the opposition.

Tito finally managed to escape from this situation without losing face. He received a written guarantee from the Soviets and Kádár that Nagy and his associates will not be harmed after leaving the Embassy so formally Yugoslavia was innocent. Breaching its promise, the Soviet Union captured and took Nagy and his associates to Romania where they were put under house arrest. Partly because of this, once more a gap appeared between the Soviet Bloc and Yugoslavia. A more profound reason for this gap was that Yugoslavia did not return to the Bloc.

Kádár and the Soviet Leadership both wanted to sentence the Prime Minister to death, since he symbolised the 56 resistance. In the spring of 1957 Nagy and his associates were arrested. In the summer the Soviets approved the indictment and so decided on the future verdict.

Khrushchev did not want to disturb the process of "thawing" so from 1957 onwards the trial was put off several times. Kádár and the Soviet Leadership continuously misinformed Tito and Gomulka, who were against the death sentence; they had been promised that there would be no reprisal against Nagy.

When Khrushchev visited Hungary in the spring of 1958, he did not mention Imre Nagy in front of the public and pretended that the case was simply the internal affairs of the country. Kádár received the green light in the beginning of the summer and the trial was immediately held in July. Straight after announcing the verdict as a result of summary proceedings, executions were held.

The last vast show-trial of the Soviet Bloc received great international reaction. All Western countries vehemently protested but by autumn things were quite. In the Socialist Camp, Gomulka was indignant but did not criticise the decision in public and met Kádár in the Crimea in August and closed the case forever. Polish-Hungarian relations did not suffer. The relationship with Yugoslavia worsened for half a year after the Soviet Union repeatedly came into conflict with the Southern Slav state. However, the tension did not prevail, Khrushchev continued the policy of

thawing and opening towards neutral countries, meanwhile Kádár followed close behind. Tito did not want to increase tensions with a more flexible Soviet Leadership and its Hungarian representative. (Békés 2007, Huszár 2006)

Isolation and attempts to break out, 1957–1963

After November 1956, only the countries of the Warsaw Pact, China and Yugoslavia were on speaking terms with Hungary, the new regime was put in international quarantine, the Western states and the UN practically excluded Hungary from the international system. Although Western countries did not break off all formal diplomatic relations with Hungary, they did not speak to the Kádár government which they considered illegitimate. For this reason the after effect of 1956 besides its internal consequences was one of the main foreign affair issues of the early Kádár era.

The new leadership had to obtain the trust of the socialist countries as well, so the Kádár leadership travelled round the region on introductory visits. For example, in 1958 they went to Romania and Czechoslovakia, where they made it clear that they regard the situation of the Hungarians living in these countries as their own internal affair. This resulted in worsening conditions for the Hungarians in both countries (for example in 1959 the independent Hungarian University in Romania was closed). Towards the end of the 50s, two Hungarian Government delegations visited China and signed the Chinese-Hungarian cooperation agreement.

The first breaking out point was contacting developing and neutral countries. In 1957, the Hungarian Minister of Foreign affairs made a round trip to the Middle East and Far East visiting India, Burma, Nepal, Indonesia, Syria, Egypt and Sudan. Between 1958 and 1960, the Egyptian President Nasser, the Indian President Nehru and the Indonesian President Sukarno returned this visit. In 1960, the diplomatic relation between Hungary and Japan was restored. The relation between the European neutral and EFTA countries was also back to normal which mostly meant trade relations. The scope of diplomatic relations was enlarged, mainly including the newly independent former colonies (in 1958, Hungary maintained diplomatic relations with 39 countries, in 1962 this number was 57). (Békés 2007)

The “Hungarian issue” in front of the UN General Assembly (1957–1962)

From November 1956, the so called “Hungarian issue” stayed on the agenda of the UN General Assembly. At the end of the year, the Assembly repeatedly condemned the Soviet Union, and demanded the withdrawal of Soviet troops and the acceptance of UN observers. Then the Special Committee of Five investigated the events of the revolution, and based on this the General Assembly once more demanded the Soviet Union leave Hungary.

The Soviet Union and Hungary did not adhere to the decisions so until 1962 the General Assembly every year condemned the Kádár system and the aggressor, the Soviet Union. The USA used this as a tool to undermine their international reputation of the Soviet Union.

Hungary could not participate and contribute to the work of the UN because the mandate of the Hungarian delegation was withheld and not accepted for years.

The country however was not excluded from the UN and diplomatic relations between Hungary and the USA were not terminated though almost all contacts were stopped between the two countries.

The case in front of the UN could only be settled if the Hungarian-American relations were resolved and Hungary could only step out of international isolation through this. Normalisation meant very strict conditions for Hungary so the Hungarian regime from 1958 could not try to find their way with America to restore relations. In the autumn of 1960, Kádár participated in the UN General Assembly in New York but during his speech the representatives of the West left the room and the committee kept the "Hungarian issue" on the agenda.

The Kennedy-administration that took office in 1961 was more open to settle relations, but this also depended on the relationship of the two super powers, which was fluctuating to say the least and the erection of the Berlin Wall and the Cuban crisis delayed the solution of the Hungarian problem. The conditions of the USA in 1962 for restoring relations were total political amnesty. Khrushchev supported this solution so Kádár agreed to the deal. The UN Assembly moved the Hungarian issue from its agenda and accepted the mandate of the Hungarian delegation. The Kádár regime granted general and political amnesty. As the closure of the issue the General-Secretary of the UN, U Thant, visited Budapest. The only problem with the agreement was its delay. (Békés 2006)

Khrushchevism and Kádár

Between 1957 and 1964, the Soviet Union under Khrushchev pursued a dynamic and initiative foreign policy, he was looking for thawing and at the same time he tried to gain a foothold in the Third World.

He was more cooperative and more flexible with his allies, the subordination of the satellite states was loosened and instead of hand controlling, issues were discussed during the meetings of the Warsaw Pact and Comecon (The Council of Mutual Economic Assistance). The bilateral economic relations were driven by mutual benefits. Members of the bloc had to follow the Soviets in more significant issues but there was already place for more "independence" in minor questions. This meant bigger elbow room, the possibility for more flexible internal and external policies as well as the opportunity for reforms but naturally only within the boundaries of the communist allied system.

Kádár had Khrushchev to thank for his political career, he was Khrushchev's "best student", Kádár regarded him as his paternal friend and Hungary became one of Khrushchev's favourite places in the bloc.

In April 1958, Khrushchev made an eight day long visit to Hungary (returned two more times in 1959 and also had a visit in 1964). The first opportunity for independence arrived then: Khrushchev offered Hungary and Romania to withdraw the troops. Kádár, however, rejected the offer; he did not consider his political power strong and consolidated enough. Nevertheless, the withdrawal of the troops would have served best the interest of the country, it would have meant a lot to society and also would have strengthened the legitimacy of Kádár. (Romania took the offer and the troops were withdrawn from there) Anyhow, in the summer of 1958, one

division left Hungary and Soviet advisors went home as well.

During 8 years, they only had one disagreement, which was during the Cuban crisis in 1962. Kádár was unhappy that Khrushchev did not inform his allies about his plans. It became evident that in case of highly important matters or crisis Moscow does not consult with them, and they are at the mercy of Soviet foreign policy. Romania, concerning its foreign policy started to be more independent. Poland and Hungary tried to achieve that Moscow would always consult with socialist countries in advance. Khrushchev did not guarantee this but it still became the practice. (Békés 1998, Békés 2003, Békés 2004)

In 1963, Kádár stood by Moscow in the acrimonious Soviet-Chinese conflict so Hungary's relation with China became tense and the previously highly developed relations were minimised.

With Khrushchev's sudden dismissal, Kádár lost his patron. The news shocked him (he was scared for his own position as well, their closeness was widely known), he openly believed in Khrushchev and deeply disagreed with the mode of his dismissal. He did what he had never done before; he publicly disagreed with the Leadership of the Soviet Communist Party. It became a huge sensation "the Brave Kádár" is not a puppet but a sovereign politician.

In autumn, the Soviet and the Hungarian leadership settled their differences concerning the dismissal and from then on Kádár tried to win Brezhnev over, who had not forgotten Kádár's first reaction, nevertheless they managed to achieve a good work relationship throughout the years. (Baráth 2003, Békés 1998)

3. The pragmatic Kádár diplomacy after 1964³

All foreign policy and international matters were decided by the leadership of MSZMP (Hungarian Socialist Worker's Party) the Politburo or János Kádár, the First Secretary of the Party, personally. Decisions regarding foreign affairs were prepared by the Foreign Affairs Department of the Politburo. The role of the Foreign Ministry was merely execution though compared to the Rákosi era, it had a bigger elbow room. The most significant Minister of Foreign Affairs of this era was János Péter (1961–1973), during his time the ministry became more professional. Training in foreign affairs was only possible in the Soviet Union until 1963, from then on it was possible in Hungary as well. (Sík 1970)

The more open and more pragmatic Hungarian foreign policy was evident from 1963 and tried to use and widen its elbow room besides being a faithful ally to the Soviets. Kádár was given by the Soviets a relative internal economic independency in return to his loyal allied behaviour. Concerning the main questions, he always went by the Soviet demand but in bilateral Hungarian-Soviet relations he always strived for enforcing his own interest, he bargained continuously. The main principle of the internationalist Kádár towards the Eastern Bloc was to syncretise all ideas to demonstrate unity. (Földes 2002)

³ First of all Romsics 1999, Johancsik 2010, Békés 2004, Fülöp-Sipos 1998, Gazdag-Kiss 2004, Huszár 2003, Huszár 2006, Herczeg-Arday-Johancsik 2001.

Relations with the West: Kádár chose the road of co-operation and building contacts on the basic principle of peaceful coexistence. He strived to achieve good relations with the neutral western countries (Sweden, Finland, Austria). Western relations were important due to their economic aspects: for a policy that aims to calm down the public and raise the living standard a more efficient economic performance is required and this can only happen by strengthening the economic relations with the West (besides the safe Eastern markets and cheap Soviet energy and source of raw materials). (Johancsik 2010)

The regime introduced new travel regulations instead of the old rigid ones. Travelling out: it was possible to travel to socialist countries using a red passport without a visa (a visa remained necessary to the Soviet Union). To the West, a blue passport was necessary, a visa was required and was made possible every third year. On the Western borders the mine blockade was removed in the second half of the 1960s and the iron curtain lived on in the form of an electronic alarm system. Travelling in: the strict practice of issuing visas was lifted, the Hungarian Embassy judged the applications within three days. (Oplatka 2008)

Foreign economic relations during the introduction of the new economic mechanism

In 1968, regarding its foreign policy, Hungary, in return for the permission of a new economic mechanism allowing economic liberalisation and partial marketization, showed total loyalty to the Soviet Union. This way Brezhnev gave permission to the new programme, though he had reservations due to its market elements. The mechanism was a success and contributed to the stabilisation of the system, and Kádár's living standard policy resulted in the bloc's most bearable soft dictatorship.

Hungary tried to establish more intensive economic relations with the West. Opening towards the West was done very carefully. They knew that the West would use this to loosen the Bloc (the more the public is attracted to capitalism, the less it accepts socialism). The Soviet Union drew Hungary's attention several times to this danger of intrusion. As part of the opening, in 1967, Hungary started negotiations to enter IMF and the World Bank but gave up because of resistance from the Soviet Union. This try is an evidence of a pragmatic foreign policy that followed the Soviet demand. (Honvári 2006, Tőkés 1998)

The loyal but somewhat reluctant ally

From the end of the 60s, three elements characterised Hungarian foreign policy: dependency on the Soviet Union, competition within the bloc to enforce interest and dependency on Western economic relations, technology and loans to raise the living standard.

The country used its elbow room in its economy and foreign economic relations and from among the members of the bloc, positioned itself the furthest from the Soviet model. In return, in foreign policy the country stayed a loyal follower of the Soviet Union but this alignment was sometimes reluctant, disputative and not always instant. This way Hungary in the bloc was between two end points. The other countries in the bloc followed the Soviet line without objection, while Romania

had a maverick foreign policy. The reactions to the 1967 Arab-Israeli war and the Prague Spring give a good example of this policy.

Following the Soviet viewpoint since 1949, Hungary always took an Arab-friendly standpoint in the consecutive Israeli conflicts. After the 1967 six-day war, the Soviet Union immediately broke off all relations with Israel. The intermediate European allies all followed suit but Hungary waited and finally did the same among the last ones (still maintaining economic relations with Israel), while Romania was not willing to follow the others and take this step.

The suppression of the Prague Spring – the 2nd opportunity for independence

At the beginning of 1968 the leadership of the Czechoslovak party and state was renewed. After the election of Alexander Dubček, for half a year, Kádár was a careful protector of the Czechoslovak reforms. He met the new leadership several times and despite the growing criticism of other socialist countries he defended them. When in April Dubček proclaimed his humanized and democratic program called “socialism with a human face”, the Soviet leaders and their European allies believed that Czechoslovakia is heading towards a counter-revolution and were considering the option of military intervention.

Until July, Kádár was against the intervention (as well as the “maverick” Ceaușescu and Tito) and he tried to mediate. He wanted the same screenplay as the 1956 peaceful Polish settlement. He also supported Czechoslovakia because they could be supporters of Hungarian reforms. In July, Kádár accepted the Soviet viewpoint urging the intervention and also agreed to participate in the intervention (he agreed to send one division to Czechoslovakia). Kádár could have said no to participation, there would have been no retortion for Hungary but concerning Kádár, Moscow probably would have started procedures to replace him.

On Augustus 21, 1968, with the modest participation of East Germany, Poland, Bulgaria and Hungary (which was to prove the collectiveness of the action), the Soviet army overrun the non-resisting Czechoslovakia. Kádár subsequently did not agree with the intervention but kept his doubts to himself and on the surface he pretended to agree.

The suppression of the Prague Spring in the West meant the laying down of the basic principles called Brezhnev-doctrine: the only way to Socialism is the Soviet way, socialist countries are jointly responsible for the bloc, and the Soviet Union has the right to intervene in the internal affairs of the “brother” countries if socialism is in danger. The manner of the intervention also indicated that things were changing: Contrary to 1956, the Soviets in the frame of the Warsaw Pact held discussions with their allies prior to the intervention not informing them afterwards. (Vida 1993, Huszár 1998, Huszár 2006, Békés 2004, Tőkés 1998)

Due to the Prague Spring, directions changed in the Soviet Union to a tougher and anti-reform trend and this affected Hungary as well, which was the only reform country besides Yugoslavia. The new economic mechanism was slowed down by the orders of Moscow. Kádár received harsh critics from the Soviets and had to remove the main reformers from the leadership. Stagnation set in while the Soviet Union insisted on having Kádár.

The icy atmosphere after the 1968 intervention resulted in the secret stationing of nuclear weapons in Hungary. The agreement on this was signed by Kádár and very few people were aware of it.

Relations with the intermediate European socialist brother countries

Romanian–Hungarian relations. The foreign policy of Nicolai Ceaușescu, who came to power in 1965, was known for its separatism and demonstration of independence which was favoured by the West but regarding his internal policy, he introduced a tough Stalinist, nationalist dictatorship. He started his “national homogenisation” program which was mainly against the Transylvanian Hungarian nationals. Hungary did not criticise the Romanian nationality policy but relations got tenser and tenser and Budapest with not too much zeal, tried to take steps to protect the Hungarian nationals. The zenith of this was the meeting of the two party leaders in 1977 in Debrecen/Nagyvárad. On this summit the Romanians accepted the proposal and objections of the Hungarians and made several promises. However, Ceaușescu betrayed Kádár and sabotaged most of the agreements and the anti-Hungarian attitude strengthened. After this, Kádár did not want to meet Ceaușescu, unfortunately he never actually stood up for the Transylvanian Hungarian nationals. He did not want to increase tension. (Borsi 1999, Földes 2007)

Polish–Hungarian relations. After Kádár’s visit to Warsaw in 1960, relations were good but there were issues in which opposite viewpoints were taken. Such an issue was the judgement of West Germany, where Central European States fell into two groups. East Germany (DDR), Poland and Czechoslovakia were only willing to talk to West Germany if their borders were accepted. Hungary, Bulgaria and Romania did not have any conflict with West Germany and would have wanted to develop economic relations through establishing diplomatic contact but they could not take these initiatives because they had to remain solidary to their allies.

East German–Hungarian relations. Relations were good from the start of the Kádár regime. East Germany had the most developed economy within the bloc so it was important for its economic aspects and East Germany remained an outstanding economic partner until the end. In 1967 a bilateral agreement of Friendship, Cooperation and Mutual Assistance was signed. Regarding ideology and political issues there was a lot of friction. The Ulbricht–Honecker regime followed the rigid, orthodox line so besides the Soviet Union, Hungary as a reformer got the most and toughest criticism from East Germany. (Békés 2009)

Hungarian – Czechoslovakian relations. The relation was burdened with two unsolved problems that were treated as taboo: the Hungarian participation in the 1968 intervention and the position of the Czechoslovakian Hungarian nationals. In 1977 the two countries signed a contract that has serious political and environmental effect up to this present day. The agreement about the Gabčíkovo–Nagyymaros waterworks was signed. The planned investment was to be realised around 1986–1990 but preparation works were delayed due to the financial difficulties in both countries and the Hungarians did not start the construction for years.

Hungarian – Yugoslavian relations. Hungary nurtured good relations with the socialist but neutral Yugoslavia and the situation of the Hungarians living there was

good. Kádár was careful not to make this relationship too strong as the Soviet Union would have taken a dim view of it. In 1966 the obligatory visa system was stopped between the two countries.

Contacts with the West

After 1963 the relations with Western countries continuously improved despite the ups and downs of the cold war. Political, economic and cultural relations improved as a trend. By the end of the 70s Hungary, compared to other socialist countries, was respected and widely accepted by the West.

American – Hungarian relations until the end of the 1970s

The relation depended on and followed the course of Soviet-American relations; it got better and worsened depending on Soviet interests. When the Soviets fell out with the USA (what they did quite often, for example concerning the Vietnam War), then Hungary's relationship with the USA worsened as well.

The USA started differentiating between the Soviet satellite states, the more independent their foreign policy was, the better treatment they received. After the Hungarian issue was resolved in the UN there was room for reconciliation and “normalising” the relations between the two countries but it soon turned out that opinions and standpoints were very far apart and agreeing would not be easy. For Hungary a good relationship would have been beneficial because of economic interests, more advantages in trade, long-term loans and claiming back the crown jewels were all on the agenda. America had compensation claims and financial demands (partly because of the losses from nationalisation); they also wanted to settle the Mindszenty case.

The relationship between the two countries until the end of the 1960s fell behind compared to US relationship with other socialist countries. Diplomatic relations only reached the ambassador level in 1966. From the start of the next decade due to cold war thawing the relationship became smooth and improved significantly.

The first official meeting between the Foreign Ministers of the two countries took place in 1970 during a session of the UN General Assembly. The American Foreign Secretary visited Budapest in 1972 – as the first American Minister in history – after which the Hungarian Chief Consulate in New York was opened.

The case of Cardinal Mindszenty who was granted political asylum and was staying at the American Embassy in Budapest since the autumn of 1956 was also resolved in 1971 (with the help of the Vatican).

After ten years of negotiations in 1973 the Hungarian-American agreement on Finances and Property Rights was signed which settled financial disputes. Hungary paid 19 million dollars (for debt and nationalisation) to settle the claims towards each other once and for all. This amount did not even reach one tenth of the original demand from the US. Hungary did not get the “most favoured nation” status. After the closing meeting in Helsinki in 1975, the settlement of all pending issues was accelerated. In 1976 a cultural, educational and scientific agreement was signed (but Hungarians tried to slow down cultural contacts because of their destructive effects), in 1978 the US returned the Crown Jewels and granted Hungary the MFN

status. (Borhi 2009, Gazdag-Kiss 2004)

The return of the Crown Jewels took a long time because of its symbolic nature. The Crown was reclaimed as the property of the Hungarian Government but America regarded it as the property of the Hungarian people and did not want to legitimise the communist system by returning it. Negotiations only started in 1970 and finally the Carter administration focusing on human rights was ready for an agreement. An agreement was reached rewarding Hungary for the “relatively free atmosphere” and for being “the happiest barrack.” America had several conditions for handing over the Crown. The US emphasized that they were returning the Crown to the Hungarian people and not the communist system so the Party Leaders and even Kádár were not invited to the ceremony. (Glant 1997)

By 1978, all disputes were settled and “normalisation” was finished. By then, Hungary had become the third most important partner of the US from the Bloc besides Yugoslavia, and Poland, not counting with Romania because of its maverick ways. America began to view Hungary as a mediatory partner and Hungarian leaders were regarded the most suitable for getting things through to Moscow.

Relations with the Vatican

From 1957, bishops were nominated by the State Office for Church Affairs, state representatives were put in charge of church offices just like in the Rákosi era.

Tension decreased between the two parties from the beginning of the 1960s. Negotiations began between Hungary and the Vatican, a compromise was reached concerning the nomination of bishops and the state representatives left the church.

Relations were tense because of the Mindszenty case as well. Starting points differed greatly. Hungary tried to achieve the removal of the Cardinal insisting that the high ranking clergyman is a criminal sentenced validly by the Hungarian court. The Vatican refused.

Ideas started moving towards each other from the mid-60s. The Hungarians would have been satisfied if the Pope inhibited the Cardinal, the Cardinal would ask for clemency and he would be allowed to leave the country. The Pope also believed that the Cardinal should be taken out of the country and the US as a mediator tried to reach a compromise.

In 1971 a deal was made, which was also accepted by Cardinal Mindszenty. After 15 years, the Cardinal left the American Embassy and went abroad. He did not resign and he was not rehabilitated, he only received pardon. Four years after Mindszenty's death, Esztergom got a new Archbishop.

Relations afterwards were back to normal. The Vatican and Hungary accepted each other's existence. In 1975, Prime Minister György Lázár and in 1977 Kádár himself paid a visit to Paul VI, but diplomatic relations were not encouraged. (Zombori 2001)

Relations with West Germany

From the autumn of 1956 until 1963, West Germany boycotted the Kádár regime. From then on the Hallstein-doctrine hindered the normalisation process:

West Germany did not maintain diplomatic relations with a country accepting the existence of East Germany. (While East Germany wanted them to accept their statehood and the change of borders after WWII affecting the once territory of Germany.)

The unsettled German issue was also a source of permanent disagreement between the countries of the Eastern Bloc. Among them several ones wanted to take up diplomatic contact with West Germany and improve economic and political relations. It was Hungary's particular interest being trade-wise the most open among these countries.

West Germany did make some minor concessions from the beginning of the 1960s towards Central European States. In 1963, a trade agreement (this was the first contract between the two countries) was signed with Hungary, furthermore, they agreed on the mutual setting up of trade missions and strengthening economic ties with Poland Romania, Bulgaria and Hungary. Establishing diplomatic relations would also have served the interest of Hungary.

In 1967, West Germany started secret negotiations with four socialist countries about establishing diplomatic relations (Bulgaria, Czechoslovakia, Romania, Hungary). Kádár did not want to go ahead without the agreement of the allies, East Germany and Poland did not give their permission. Three out of the four countries accepted the fact that they would only establish diplomatic relations with West Germany if Bonn accepts the conditions of the Bloc. Romania, however, made an individual move and took up diplomatic contact with West Germany.

Budapest had to wait until the German issue was generally resolved and East Germany, Czechoslovakia and Poland settled their disputes with West Germany.

In 1970 Bonn and Budapest signed a five-year agreement so that trade representation would quasi function as an embassy. From 1970 to 1973, commerce tripled between the two countries.

The change came with the Ostpolitik (Eastern Policy) of the Social Democrat Willy Brandt. His breakthrough was the signing of the West German – Soviet and the West German – Polish contracts in 1970, in which West Germany accepted the western borders of the other two countries. After this, Poland was given permission by the Soviet Union to establish diplomatic contacts with West Germany. All the other allies had to wait until the two German States settle their dispute (which happened in 1972 when a comprehensive agreement settling the German-German relationship was signed) and the German – Czechoslovakian agreement resolved the problems. Only after that, at the end of 1973, as the last ones from the Bloc, could Hungary establish diplomatic relations with West Germany even though ten years before they wanted to be the first ones to do so. There was an immediate intensification in bilateral political, economic and culture relationship. In 1977, János Kádár paid an official visit to West Germany for the first time and in 1979 Helmut Schmidt West German Chancellor held negotiations in Hungary. Out of the Western countries, West Germany became far the most significant partner regarding economic and other aspects as well. (Horvath-Németh 1999, Békés 2009)

English and French relations

At the end of the 1960s, England did not pay much attention to Central Europe, concerning the East – West relations, London followed the direction defined by the USA. England did not have political or economic interest in the region (only 3% of their trade was with the Soviet Bloc) so their policy stayed cool and reserved towards Hungary. (Magyarics 2007)

From 1963, Hungary wanted to have closer commercial ties with France so the countries made steps towards each other, however the economic activity of Paris lagged behind that of other Western countries. Relations intensified in the mid-1970s when the Prime Minister as well as Kádár visited Paris and their visit was returned by the French Prime Minister. (Garadnai 2001, M. Szebeni 2008)

Hungary's relation with neutral Western states (Austria, Finland)

Hungary established excellent relationship with both of these special status Western democracies. The breakthrough in Austrian-Hungarian relations came with the visit of Bruno Kreisky Foreign Minister to Budapest in 1964. (He was the first Western leader to visit Kádár.) The two countries signed the long awaited agreement on property rights and Hungary removed the mine blockade on the Austrian border. Economic and cultural relations were quickly developing and frequent meetings were held. Outside the Socialist Bloc, Hungary had the closest relationship with Austria and from 1979 they abolished the visa system - as part of the second such agreement – after Finland. (Pritz 2002)

Hungary had excellent contacts with the uniquely positioned, neutral Finland as well. As an independent, democratic country, the Finns followed a neutral, somewhat Soviet friendly Realpolitik called Finlandisation, for example they were associated members of the Comecon. They had a stronger relationship with all the countries of the Bloc compared to any other Western country, especially with Hungary being a language relative.

Hungarian attempts of mediation between the West and the East

Hungary in the Vietnam War

After the American military intervention, for a whole decade the Vietnam War was one of the main topics of international relations and Hungarian foreign policy. In the war, in accordance with the ally loyalty Hungary supported North Vietnam but at the same time its aim was to improve Hungarian-American relations.

An attempt of mediation 1965–1966. Upon the request of the Soviet Union, Hungary as a mediator tried to end the war around the negotiating table. The Soviet Union was in a trap. It was its “internationalist duty” to support the people of Vietnam but wanted to avoid direct conflict with the United States. During the mediation, the US seemed willing to settle things via negotiations but the Chinese led Vietnamese communists rejected all negotiations. The Hungarian mission was unsuccessful, and the war continued.

Ceasefire monitoring, 1973–1975. Hungary once again got an important role in resolving the conflict: the international monitoring of the Vietnam ceasefire was carried out by four countries, two of which were socialist countries, Poland and

Hungary. Instead of neutrality all four countries were biased. Two of them, Hungary and Poland, supported North Vietnam and the other two backed South Vietnam. This partiality was not the independent decision of Hungary, the two socialist states followed and carried out the foreign policy of the Bloc (that is the Soviets). Hungary achieved significant diplomatic experience during these two years and had contact with many other nations. The Hungarian leadership's conclusion from the Vietnamese lesson was that as a small country it is worth acting as a mediator. (Szőke 2010)

The Hungarian role in preparing the Helsinki Accords

In 1966 the Soviets came up with the idea of organising a pan-European security conference with the following conditions: the West should accept the existence of the two German states and West Germany should accept the borders formed after the Second World War.

As part of the Soviet strategy, the Soviet allies tried to convince Western countries during bilateral negotiations. Hungary's diplomacy intensified. They wanted to play a key role in improving the relationship between the two blocs. Hungarian interests lay in the economic co-operations, which were the country's main motivation. In the autumn of 1967, Hungary became a temporary member of the UN Security Council for two years, its international position and its possibilities were better.

In 1969 the proclamation of the Warsaw Pact in Budapest started the Helsinki process, where they were invited to a security conference without any conditions. In 1970, the Warsaw Pact accepted the two conditions of the West: the USA and Canada can participate in the conference, and besides the economic and security issues the so called third basket, which covers that cultural and human right issues will also be on the agenda. The road to a direct dialogue between the East and the West was opened. The Hungarian government zealously took part in the preparatory negotiations which proved to be a milestone in the development of the country's relations with the West. Hungarian diplomacy played an initiating and mediating role from the start, mediating between the two sides. Hungary represented the viewpoints of the Warsaw Pact to the West while it tried to convince their own Bloc about acceptable Western suggestions.

The Helsinki Accord was signed in 1975, with this closing the formation phase of the Conference on Security and Co-operation in Europe. One of the most notable one out of the speeches held at the conference was Kádár's, he was talking the most about the third basket. (Békés 2004, Gazdag-Kiss 2004)

Foreign relations after Helsinki

The main beneficiary of the East-West thawing was Hungary, Budapest managed to develop its political and foreign contacts the most with the West (concerning human rights included in the third basket, Hungary was in the best position) Independent aspirations in Hungary's foreign policy became more and more pronounced but in issues important to the Soviet Union Hungary followed the direction dictated by Moscow.

There was a long line of mutual visits with leaders of western countries. The number of diplomatic relations grew significantly. In 1970, Hungary was in diplomatic contact with 89 countries while in 1980 this number was already 127. (Also with the states of the Iberian Peninsula, after the fall of dictatorship there.)

The number of trips in and out of the country also grew rapidly. In 1980, 14 million visitors arrived to the country (in 1969 this number was 6 million) and five million trips abroad were registered (10 years prior they registered one million). Westerners were keen to visit the country of Gulyás communism.

Foreign economic relations

After Helsinki the possibility for dynamic trade and economic relations between the East and the West was open. Opening to the West was looking for a way out of economic difficulties (the effect of the oil crisis, the freezing of the new economic mechanism all caused serious economic problems).

The country continuously tried to strengthen economic relations with the West and find new markets for Hungarian products. In 1973, Hungary joined GATT. The proportion of Hungarian import and export between 1960 and 1980 with the West grew from 22-24% to 35-40%.

It was in Hungary's interest to establish a relationship with the EEC but the Soviet bloc prevented this because the Comecon wanted to do this instead, However the EEC only established bilateral contacts with separate countries which Moscow rejected.

After Helsinki, borrowing from the West became possible for the Eastern Bloc, mainly Budapest and Warsaw used this opportunity. Foreign loans delayed the problems but indebtedness began. The Soviet Union was not too keen on the rapidly expanding Western economic relations of Budapest. In 1978, Brezhnev warned Hungarian leaders not to give political concessions for the West in return to economic subsidies.

Until the 1970s, Hungarian-Soviet relations were good because of the large and stable Soviet potential market. The safe market of the underdeveloped Soviet economy did not encourage development and non-competitiveness increased.

Concerning foreign economic relations, Hungary got into a two-way dependency: from the Soviet Union which delivered raw materials and energy resources and purchased all out of date and insufficient quality products (one third of foreign economic trade was done with the Soviets), and from the West borrowing loans and in possession of modern technology.

Due to economic problems the new economic mechanism was re-launched in its modified form in 1978 but in vain. Planned economy building on state property

was basically false and non-reformable. The productivity of Hungarian economy even in the Kádár era was far behind from the Western level. (Honvári 2006)

Hungary and the Soviet intervention in Afghanistan – December 1979

The Afghan military intervention, with which they saved the formerly established communist puppet state, was an unexpected step. Since the Cuban crisis, this was the first case when the Soviet Union faced its allies with a ready situation. Hungary did not have other option than accept the Soviet step and follow the Bloc's propaganda whilst trying to defend economic and trade relations with the West.

The USA supported this; they would have maintained thawed relations with small Soviet allies. But at the beginning of 1980, an emphatic "request" arrived to Hungary from the Soviet Union to freeze all its main Western contacts because Western countries reacted harshly to the intervention.

(It is understandable, this is the first time since 1945 that the Soviet Union had occupied a country outside its sphere of interest accepted by the West.) The majority of the Hungarian Socialist Worker's Party's Politburo did not want to obey the Soviets, only after Kádár's passionate interference did they decide to support Soviet demands.

Luckily, the decision was short-lived and Hungary's Western contacts did not suffer because of the breakout of this so called "little cold war". As a result of Hungarian mediation, the Soviet Union held multilateral negotiations with its allies about the effect of the Afghan issue, and the countries of the bloc were given free hand to maintain their Western relations. They managed to convince them that by keeping up relations with the West side of the continent, American influence will decrease.

Hungary played a positive role during the crisis. It managed to avoid the general deterioration of the East-West relation; in Europe the cold war did not increase (while the Soviet-American relation was at its lowest). Hungarian-American contacts were also unharmed even though until now the Hungarian-American relation always depended on Soviet-American relations. The role of the mediator became even more important as Washington and Moscow hardly talked to each other. (Békés 2004)

The Polish crisis (August 1980 – December 1981)

Poland was in an economic crisis and this sternly Catholic country was deeply shaken when in 1978 a Polish prelate was elected Pope, who then visited his home country next year (this was the first time in history for a Pope to visit a Socialist country).

In 1980, there were nationwide strikes, protests and demonstrations and the workers of the shipyard in Gdańsk formed Solidarity, an independent trade union under the leadership of Lech Wałęsa. It grew to be a mass movement with millions involved and the Communist system seemed to be crumbling in Poland. The crisis was ended by General Jaruzelski who under the pressure of the Soviets in 1981 introduced and military dictatorship to restore order. (Otherwise the Soviet Union would have used military intervention. In the given situation, this was the least bad solution; Kádár thought it was a better solution, too.)

The Kádár leadership was scared of the event's social effects in Hungary and a nationwide solidarity. This resulted in strong propaganda against Solidarity which was said to have endangered the living standard and socialist accomplishment. The worry was unnecessary, the Hungarian public affected by the living standard policy of Kádár remained indifferent to Solidarity. (Tischler 2003)

IMF and World Bank Membership in 1982

The long lasting illness of Brezhnev and the aging leadership weakened the effectiveness of controlling Bloc members. In 1982 Brezhnev died but the situation did not change since two elderly, ill leaders followed until 1985 (Andropov, Chernenko), so Hungary had more room for independent initiations.

The outbreak of debt crisis in the beginning of the 1980s had its effect on Eastern European countries as well and many of them became insolvent. This was almost the case in Hungary as well and only by entering the IMF and the World Bank did it manage to avoid bankruptcy. Kádár was reluctant to enter but the economic reasons made it necessary. The entry was supported by the USA and the Western-European countries but the Soviets were not informed. Hungary – referring to the serious economic situation – simply announced its intent to the Soviets. The Soviet leadership submitted to it as they themselves could not provide any economic help. (Honvári 2006)

Joining these two international monetary organisations was the first real independent foreign policy move of Hungary for decades. It indicated that the economic troubles force the countries to deviate from the Soviet line not only from the economic aspect but politically as well. It became a habit that the Soviet leadership was only informed about the minor foreign policy issues later.

Developing of the Western Relations

Until 1985 Hungary's relation with the West developed dynamically. Kádár visited Bonn, Paris, London and the first time in history the French President Mitterrand, the West German Chancellor, the British and Italian prime ministers came to Hungary.

However the elbow room was still restricted. In 1984 on Soviet command Hungary boycotted the Los Angeles Olympic Games (only Romania participated from the Bloc gaining the sympathy of the West for a few more years)

The Hungarian-American relations. The countries of the Bloc knew they can only expect concessions from the Reagan administration if they show more independence in foreign politics and lessen the dictatorship. George Bush Vice President in 1983 visited Yugoslavia, Romania and Hungary for a reason. Hungary strived to get the biggest concession permanently, narrow the CoCom list and have access to more American and Western technology. Neither of these issues brought success. (America knew that Budapest will hand over part of the Western technology to the Soviet Union) At the beginning of the 1980's four American companies and three American-Hungarian joint ventures started operating in Hungary (for example Tungstam joined up with its former owner General Electric) and three Hungarian companies were set up in the USA.

Hungary gradually became in the eyes of the West the most presentable country from the Bloc overtaking Romania and Poland (their reputation was tarred because of the strong dictatorships). Hungary was the keeper of the dialogue between the two sides until this role was overtaken by the Soviet Union in 1985.

4. Hungarian foreign policy and transition (1988–1989)⁴

In March 1985, the 54 year old Mihail Gorbachev came to power and a new era started in the Soviet foreign and internal policy. Gorbachev wanted to end the Brezhnev stagnation, the real turn happened in the spring of 1986 after the Chernobyl catastrophe and the reform of the entire political system took place in 1987.

The Soviet Union was full of internal problems. Gorbachev believed in the reformability of the system, he believed in democratic socialism. His aim was to modernise the economic system, make it more effective (perestroika) and somewhat democratise the political system with bigger publicity and self-management. His reforms in reality were ineffective and could not overcome the crisis.

In his foreign policy he strived for thawing towards the USA and wanted to slow down the pace of armament and achieve disarmament. He realised that he has no economic power to continue with imperial politics. Intensive Soviet-American dialogues were started concerning the partial disarmament.

The years before the turn in foreign policy, 1985–1988

Unable to achieve real change, the elderly Kádár was suspicious towards Gorbachev, saw his reforms dangerous from the aspect of the Soviet Empire and political system.

The visits of Western politicians continued (for example, the American Foreign Secretary, monarchs like the Dutch Queen and the Spanish King)

In 1986, the Western counties of Hungary joined the Alps-Adriatic Working Group which was brought to live by German, Italian, Austrian, Yugoslavian regional units which were under state level. This heterogeneous combination made it unique because its members belonged to different political, military and economic blocs. (NATO, WP, EC, Comecon). The aim of the group was to start the political, economic and cultural co-operation of the regions in this area.

From 1985, the seeds of national politics started to appear. Mátyás Szűrös, the foreign secretary of the Central Committee was the first to publicly declare. The Hungarian state now strongly objected to the minority policy of Romania.

In the autumn of 1985, as the first from the Socialist Bloc, Hungary got the right to organise the cultural post event of the CSCE. The event had two important consequences: everybody who wanted to come into the country could do so, and during the event anybody could organise a press conference. The Hungarian leadership was worried about letting migrants in and the counter-event organised by the opposition. The counter-event could not be openly banned by the official bodies as

⁴ First of all Romsics 2003, Ripp 2006, Johancsik 2010, Herczeg-Arday-Johancsik 2001, Békés 2004, Tőkés 1998, Braun-Barany 1999.

it would cause an international scandal but they tried to prevent it. (Romsics 2003)

In 1987 Károly Grósz became Prime Minister and was given a freer hand in economics. The foreign economic and political activity of the government grew. Hungary received a loan of one billion German Marks from West Germany for modernisation. Never before did Hungary get such an amount of loan with such good conditions from a Western country before.

Even the opposition did not hope for a significant foreign and internal turn in the short run. The effect of opposition groups was irrelevant. In 1987, the programme of the so called democratic opposition, the Social Contract realistically suggested a change in leadership but not a change in the system. In foreign policy they were considering the reform of the Comecon and neutrality in the long run but at that moment they did not think it would be realistic. In 1987, the group of populist writers founded the Hungarian Democratic Forum but they did not attempt to break foreign political taboos.

The year of opening in foreign policy: 1988

The quality change in Hungarian foreign policy took place in 1988. Hungary by then could form its foreign contacts freely and could establish diplomatic relations driven by economic interests with the European Economic Community, South and after 20 years with Israel. From this year the role of the Foreign Ministry was much more significant in the formation of the foreign policy.

From January 1, 1988 the passport was introduced which allowed free travel to the West and meant the start of the shopping tourism.

Hungary signed a trade and co-operation agreement with the EEC. The EEC has not signed such an agreement with a socialist country before and later the other countries with changing systems followed and signed similar agreements. Building contacts with the NATO also began.

The re-establishment of diplomatic relations with Israel happened gradually in several phases as Gorbachev asked for caution and patience in this issue. Diplomatic relations on ambassadorial level were only established in 1989.

Gorbachev tried to keep the Bloc together using political means; he did not force his reforms onto the members and did not directly intervene in their internal affairs. In 1988–1989 the three reformer countries established an informal Moscow-Budapest – Warsaw triangle and tried to harmonise their political and economic reforms.

The fall of Kádár – without Soviet intervention

The Soviet Union did not interfere in the emergency conference of the Hungarian Socialist Worker's Party held in the spring of 1988 even though there were anticipated personal and political changes. The party conference replaced Kádár after 32 years with Károly Grósz who became president. They also replaced several members of the Politburo. Gorbachev did not hinder or support the action. (Tőkés 1998)

During the next period Grósz led the Party and the government as well. While he was in power it turned out that he is only willing to initiate economic reforms and

not political ones. The political reformer trend represented by Imre Pozsgay began to turn against him more and more.

Grósz visited the USA in his dual capacity in the summer of 1988. He was the highest ranking official to visit since 1946. The visit did not bring any results. America did not provide actual economic help or loan. The USA tried to facilitate peaceful reforms in the Eastern bloc without inciting tension with the Soviet Union. Nevertheless the American-Hungarian co-operation got stronger and stronger despite of the spy scandal in the autumn of 1988 as the last cold war incident between the two countries.

Nagymaros-Gabcikovo power plant – The first failure of Grósz

In spite of the fact that the Hungarian Academy of Sciences proposed the stopping of the construction because of prospective environmental damages, Hungary started construction in the middle of the decade. The handover of the Gabčíkovo water system was 1990 and Nagymaros was postponed to 1993.

In 1984, the first civil movement called the Danube Circle (Duna Kör), which openly opposed the construction of the dam, was founded. After this the start of the construction of the Nagymaros part brought about wide social resistance. 35–40 thousand people protested against the dam in Budapest in the autumn of 1988, the police did not intervene. It was evident that Hungarian society opposes the construction of the dam and is ready to take steps against the state's decision if necessary. (Romsics 2003)

Romanian village demolition plans – the second foreign policy failure of Grósz

The plan was introduced in the spring of 1988 by Ceaușescu according to which in 10 years only half of the Romanian villages would remain. The plan served the Romanian national homogeneity, a large proportion of the chosen villages were Transylvanian Hungarian villages the inhabitants of which were planned to be moved into apartment buildings where their assimilation would have been easier.

The announcement was received with a general outcry from Hungarian society at the peak of which 100 thousand people protested against the demolition in June 1988. The protest was granted permission by the Politburo – since 1956, this was the first time a protest not organised by the state was not banned

Romania accused Hungary of nationalism and interference into its internal affairs. It closed the Hungarian consulate in Cluj and the Hungarian Cultural Centre in Bucharest. As an answer to this the Hungarian Parliament issued a declaration opposing the demolition of villages.

On the advice of Gorbachev, who remained unbiased in the dispute but unofficially agreed with the Hungarians, Grósz met Ceaușescu but the Arad meeting in the late summer proved to be unsuccessful, Ceaușescu rejected all Hungarian proposals and suggestions. No matter how keen Grósz was to agree with Romania it was a total failure. The public took it as diplomatic defeat or to go even further as a betrayal of national interest.

The failure in Arad evidently showed that Hungary has reached the crossroads. Either it surrenders the Hungarian minority to the dictator or it eventually steps up

effectively representing their interest and protecting their existence and identity. (Borsi 1999, Földes 2007)

The plan if the Romanian “settlement organisation” died out next year, probably not because of the Hungarian presence but the protest of the West and the lack of financial resources.

There was unprecedented and vehement protest from the Hungarian against the Nagymaros-Gabcikovo dam and the Romanian plan for settlement demolition. These two issues made Grósz unpopular.

Foreign policy opening in challenging areas: contact building with South Korea

In connection with the Seoul Olympics the two countries agreed to take up contact. On the request of Hungary this happened in two phases, as Hungary needed time to let the other socialist countries accept the decision. From South Korea’s point of view this was an event of historic importance, Hungary was the first from the socialist countries which established an official interstate contact with them. In return they gave a 600 million dollar loan to Hungary. The Western states openly welcomed it, the socialist countries starting reforms themselves silently accepted it, the countries having strong contacts with North Korea like Bulgaria, Romania and East Germany protested, and Kim Ir Sen ordered their Ambassador to return home from Hungary. The situation was settled on February 1, 1989 when a full diplomatic contact was established and the permanent representations were elevated to ambassadorial level. (Békés 2004)

The year of wonders: 1989

The first half of the year: the Soviet “flotation” of the Brezhnev doctrine

At the beginning of 1989 Imre Pozsgay announced in the radio that 1956 was not a counter-revolution but a popular uprising. This was the first anti-Soviet step of the Hungarian leadership: based on this evaluation their military intervention was unlawful. A strong letter of reply was drafted in the Soviet Communist Party, but Gorbachev ordered the letter not to be sent. The Soviet Union accepted this development as well.

Gorbachev had probably already decided at the end of 1988 that no matter what happened he would not intervene in the Central European region. He did not and could not hold onto the outer imperial ring by power. He did not obstruct the Polish semi-transition (in the beginning of the year the state party made a deal with the Solidarity and they held a partially free multi-party election) or the Hungarian reformation of its internal affairs. In February 1989 the Soviets left Afghanistan as well.

Gorbachev did not give up on Central Europe. He thought that going back to the democratic coalition situation present after 1945, the communist party would remain hegemonic and a renewed version of socialism would prevail in the region.

To assert his influence he “floated” the Brezhnev-doctrine and did not call it invalid. Nobody knew for certain whether he would intervene militarily or would he accept the fall of socialism in the ally countries. Based on this Gyula Horn the

Minister of Foreign Affairs believed that it would be a fatal blow to the allied system if the Hungarian Socialist Workers' Party (MSZMP) lost political power and then a soviet military action could be possible. (Békés 2004)

The Warsaw Pact and the issue of neutrality

By the spring of 1989, Hungary had a new concept of foreign policy: once again the role of being a bridge between the East and the West was put on the agenda. The leadership of the disintegrating state party presumed that the Bloc, the Warsaw Pact and the Comecon would remain and they strived to reform and democratise the operation of these organisations and the co-operation of the countries in the Bloc.

Budapest subdued the participation in the Warsaw Pact (for political and economic reasons as well), the military costs were cut by one fifth and from 1989 the troops of the member countries could not hold military training in Hungary. However they saw exiting from the Pact, having a non-aligned status like Yugoslavia, let alone neutrality as unrealistic. (Kiss 2004)

Meanwhile in 1989 all the opposition parties assumed neutrality as their point of view based on 1956 namely ensured by the guarantee of the Great Powers. However there were indications from the Soviet Union and the West as well that this effort would not be backed and supported. Gorbachev in the spring of 1989 warned that claiming neutrality is not realistic (he regarded the allied system as a taboo and wanted to modernise the Warsaw Pact). In the West they regarded the proposition untimely not to be harped on by the countries of the Eastern Bloc. The USA and the West European powers believed that the stability of the continent can only be maintained if NATO and the Warsaw Pact stay on.

Foreign economic development

By 1988, the country was in a catastrophic economic situation, the growth of economy stopped, the state had accumulated a 20 billion dollar debt stock, the Kádár economic policy had failed. Realignment started in foreign economy as well. State leadership fled from bankruptcy towards marketization and total world economic opening. Western countries became increasingly important trade partners. It was evident that the Intermediate European Countries traded with each other only because of Comecon pressure and the crisis of the system resulted in the immediate fall of foreign economic relations. In 1989 Czechoslovakia and Romania together was accountable for only 5% of the Hungarian export. This was even less than the period of Little Entente.

The separation of the Németh government from the Hungarian Socialist Workers' Party

Focusing on party leadership with actual power, Grósz handed over the Prime Ministership to Miklós Németh in the autumn of 1988, whose government was renewed within half a year and many reform politicians became members (e.g. Imre Pozsgay). From then on the government separated from the state party and became an independent player of foreign economics representing the national inte-

rest. The control over foreign policies was focused in the hands of the government, within that in the hands of the Minister of Foreign Affairs. The head of the ministry was Gyula Horn.

The plan to organise the World Exhibition together with Austria was the government's own initiative. In the spring of 1995 the two countries won the right to organise the 1995 Vienna-Budapest EXPO.

Acceptance of Romanian refugees and accession to the Refugee Convention

Fearing the demolition of villages many Romanians fled to Hungary through the "green" border. Hungary took them in but because they did not have refugee status the fact that they were not sent back to Romania was not justifiable. For this reason, the government decided to join the Geneva Refugee Convention which banned the return of political refugees. Hungary and six other countries asked the United Nations to investigate the situation of human rights in Romania, the West supported Hungary in the Hungarian-Romanian conflict.

In the summer of 1989, negotiations between Romania and Hungary were re-started. Ceauşescu found himself against a Hungarian government protecting the rights of Hungarians living in Romania. The condition for settling the conflict put forward by the Hungarians was the protection of minorities. No agreement was made. (Földes 2007)

The USA and the changes in 1989

A non-written agreement was made between the USA and the Soviet Union: the Soviets do not interfere with violence in Central Europe and the USA remains neutral and does not accelerate the course of events. America had two reasons to accept self-restraint: first of all after the arms race it did not or could not offer substantial help and second of all the crisis and fall of the Soviet Bloc took America by surprise, even at the beginning of 1989 they still thought that the Soviet regime and its allied system will last at least for 20 more years so their policy in the region did not change much until 1989.

Change in the American foreign politics came when President Bush took office in the spring of 1989. The USA from here on supported a total but peaceful political and economic change of system. It remained careful and non-provocative wanting to keep the stability of the region and waiting for the countries to liberate themselves without any force or intervention from the Soviets.

In July President Bush visited Hungary and Poland. It was a courtesy visit in the two reformer countries but did not result in any significant financial support or clear promise. The USA did not want to offer another Marshall support and handed the task of providing economic help down to Western Europe (as a gesture it gave the status of most favoured nation for unlimited time). Bush's visit however was still a milestone: the leader of the biggest enemy of the Eastern Bloc came to Budapest (the first President to visit) and for the first time since 1947 a visiting foreign politician was officially allowed to negotiate with the opposition as well. (Borhi 2009)

The participation of the Hungarian opposition in the Velvet Revolution of Czechoslovakia

In the freer atmosphere the silenced problems (the situation of the Hungarians living in Czechoslovakia, Gabčíkovo-Nagymaros dam, Hungary's participation in the 1968 intervention) of the Czechoslovakian – Hungarian relation surfaced in 1989. Concerning the dam, the Hungarian government suspended the construction in May 1989 and suggested mutual supervision. This step was strongly motivated by economic reasons and social demands. Czechoslovakia protested and was willing to finalise the construction unilaterally. Regarding the participation of Hungary in the 1968 intervention the Hungarian Social Worker's Party (MSZMP) pressured by the opposition declared in the summer of 1989 that it does not agree with the 1968 intervention.

During this time several members of the opposition tried to go to Prague to join the demonstrations in Vencel Square. Only few managed to get through the border who then apologised for the intervention and the Czechoslovakian police arrested them. With the mediation of the Hungarian Foreign Ministry the Czechoslovakian court expelled them and banished them for life from the country. (Romsics 2003)

The Rubicon of foreign policy: handling of the East German refugee issue

When the electric barrier on the Austrian border was dismantled in May 1989, 65 thousand East German citizens travelled to Hungary hoping to leave the country through the “green” border. East Germany demanded the return of its citizens but Budapest referring to the Geneva Convention rejected the demand and de facto declared the East Germans refugees. The Hungarian government started secret negotiations with West Germany about the possibility to let these people out of the country. At the end of August the Prime Ministers and Foreign Ministers of the two countries signed a secret agreement according to which Budapest will let East German citizens leave free from the country. They also agreed that they will not inform the Soviet Union but out of precaution Kohl told Gorbachev who promised not to use violence and stop the course of events. (Oplatka 2008, Horváth-Németh 1999)

On 11 September, Hungary opened its borders to Austria for East German refugees. This event significantly contributed to the fall of the Berlin Wall and East Germany, the uniting of the two German states for which Germany's political leadership is grateful to this day.

This decision had been the most independent Hungarian foreign policy decision in the last 40 years in which they agreed with the enemy camp on the expenses of their ally not informing the Soviet Union.

The issue of withdrawing Soviet troops and nuclear weapons

At the end of 1988, Gorbachev announced a unilateral disarmament programme and cut the number of the Soviet army by half a million. The partial withdrawal of Soviet troops began in April. Németh Prime Minister then proposed the total withdrawal of the Soviet Troops stationing temporarily in the country and also requested the removal of nuclear weapons. In May the Soviets expressed their willingness and

in the summer of 1989 negotiations began concerning the total withdrawal of the Soviet Troops. The situation still being sensitive at the reburial of Imre Nagy on 16 June, even the West found it risky and premature when one of the FIDESZ opposition leaders Viktor Orbán demanded the total withdrawal of the Soviet Troops. At the end of the year, the nuclear war heads were secretly removed from the country. They signed the agreement concerning the withdrawal of the Soviet Troops on 10 March 1990, according to which the Soviets would leave the country by June 30, 1991. The Soviets demanded compensation but no agreement was made in this issue. (Romsics 2003)

From the autumn of 1989 Hungary is only a formal member of the Soviet Bloc

Socialism in Hungary fell because of several foreign and internal factors (the weakening of the Soviet Union, the economic crisis in Hungary, the loss of the legitimacy of the leading power, tension within the Hungarian Socialist Workers' Party [MSZMP] and the activity of the democratic opposition).

In the autumn of 1989, Hungary applied to be a member of the European Council assembling European democratic countries.

In the autumn of 1989, Italy, Austria, Hungary and Yugoslavia established the Quadrangone with which they overstepped the logic of a bipolar world. The initiative had very strong symbolic relevance and meant the regional cooperation of a NATO member, a Warsaw Pact member and two neutral (one socialist and one capitalist) states.

At the end of 1989, Bush and Gorbachev met in Malta and agreed that the Soviet Union would withdraw its troops from Central Europe and would not obstruct democratic change in the region - but the allied system, the Warsaw Pact and Comecon would stay - in return the USA would not interfere in the events of the region. By then, the socialist system of almost all Central European countries had collapsed and the Soviet Bloc was on the verge of disintegration. Gorbachev hoped that despite the free elections in the allied countries the communist party would stay in power and the special relationship of these countries with the Soviet Union would continue. Only the Romanian Ceaușescu dictatorship was holding out but not for long. The collapse began with the resistance of László Tőkés, a clergyman from the Reform Church which led to mass demonstrations against the existing power and finally to the collapse of dictatorship. The Hungarian government was very active from the beginning of the conflict and taking care of the Hungarians living in the successor states became an official state political matter. By the end of 1989, Hungary and Poland had the best reputation from the Eastern Bloc and were regarded as good examples in the West and in Central Europe. Hungarian foreign policy scored excellently in the year of wonders (*annus mirabilis*), used its opportunities and the growing elbow room.

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