

BRITISH POLITICAL ATTITUDES TOWARDS HUNGARY THROUGH THE WORKINGS OF THE BRITISH COMPONENT OF THE ALLIED CONTROL COMMISSION, 1945–1947

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In the aftermath of the Second World War relations between the United Kingdom and each of the smaller states of Central Europe were in varying degrees conditioned by British perceptions of Soviet power and intentions. There was already a tendency in the Foreign Office to regard much of the area as having fallen within the “Soviet sphere of influence” where local Communist parties could be used “as direct instruments of Soviet policy.”¹

Nevertheless, British officials did not exclude the possibility of continuing co-operation with Britain’s former wartime ally. One possibility for continued co-operation was within the Allied Control Commissions (ACC) to be established in the former German satellite countries such as Hungary.

The tri-partite Allied Control Commission was set up in accordance with the Hungarian Armistice terms² (signed on 20 January 1945) and was stationed in Hungary between January 1945 and September 1947. Its primary purpose was to supervise the enforcement of the armistice terms with Hungary until the conclusion of the peace treaty. As Hungary had been liberated by the Soviet forces, Russian leadership prevailed within the commission, which also implied the restricted scope of activity for the other two members, i.e., the British and the Americans.

In early 1945 the British were committed to sending their political and military representatives to Hungary, which had never been a British sphere of interest. However, the key geographical position that Hungary occupied in the context of the emerging bipolar division of Europe compelled the British to commit resources and attention to Hungary’s future. This paper examines the changing British attitude towards Hungary in the early stages of the Cold War through the workings of the British component of the Allied Control Commission. Naturally, the Hungarian context will be, from time to time, expanded to include great power relations in the European context. An understanding of the changes in British attitude towards Central Europe, and Hungary in particular, between

1945–47 is very relevant to pressing present day issues such as the enlargement of the European Union and Britain's relations with Central Europe.

Due to the partial inaccessibility of primary sources, the workings of the ACC in Hungary have not been uncovered completely. This paper is still a working document and forms part of a larger theme to be completed in the near future, which is mainly based on British archival material and discusses British foreign policy on Central Europe.

In late February 1945 the seventy-eight strong British Mission arrived in Hungary after having obtained permission from the Russians. According to the political directive³ issued to the members of the mission, their main task was to "ensure, in the closest collaboration with your Soviet and United States colleagues, that the terms of the armistice with Hungary are strictly carried out." It acknowledged the Soviet government's principal role in enforcing the armistice because Hungary was a Soviet theatre of war. However, any Soviet attempt to encroach on Hungarian sovereignty or independence, warned the directive, should be resisted by the British. Although the British accepted the effective Soviet domination in enforcing the armistice terms, there was "no question of abdicating our claim to have an equal share at the peace settlement and in the post-war period in all questions affecting Hungary."

Hostilities had not yet ceased in the country and there was no representative government either. Therefore the members of the mission could not be instructed as to which political party or personality they should support. "Much will clearly depend," continued the document, "upon the Soviet attitude towards the present Government and regime."

The first few meetings with the members of the Hungarian Government and the Russian representatives of the ACC convinced the British political representative that as long as the Hungarians obediently fulfilled Russian "wishes," "the Russian policy will be one of liberality towards them."⁴ One month had already passed, but no meeting of the ACC occurred, and any initiative on the Anglo-Americans' part was obstructed by the Russians, thus causing considerable frustration. Therefore the British were not surprised when it was deliberately and secretly leaked from Hungarian government circles that Hungarian officials had been warned indirectly not to have close relations with the British and the Americans.⁵ The first major conflict arose in connection with land reform, which was introduced by an executive decree without the consent of the Hungarian Provisional National Assembly. It was obvious that the reform was forced through by the Russians. The British argued that Marshal Voroshilov, the Russian Chairman of the ACC, was acting outside his remit as Chairman of the ACC because land reform was an internal affair for the Hungarian government.⁶ Further, both the British and the Americans should have been consulted in advance.⁷ The number of reports giving gloomy account as to the lack of foodstocks and projecting unusually low production that year increased. Be-

cause it was the Hungarian government's responsibility to feed the occupying Red Army, the Russian chairman often referred to Article 11 of the armistice and stated in no uncertain terms that the control of food supply and related matters no longer constituted an internal affair. The Foreign Office (FO) thought that the severe shortage of foodstuffs would provoke political disturbance in the country, which was a "breeding ground for Communism."⁸ They also suspected that the Hungarian situation would help intensify the impending famine in Europe.

Subsequent to the cessation of hostilities in Europe, the need arose to reorganize the control commissions in the ex-satellite countries. This second period was to last until the conclusion of the peace treaties. At the time of the Potsdam Conference there was a frequent exchange of letters concerning the matter. In his minute to Winston Churchill, Anthony Eden, the British Foreign Secretary, wrote the following: "We want nothing specific about Hungary at the present Conference, apart from the improvement of the status of our Control Commissions and the implementation of the Yalta Declaration on liberated areas."⁹ In other minutes exchanged between senior FO officials two underlying issues were exhaustively discussed. One was the conclusion of peace treaties with the defeated countries and the replacement of "the present puppet governments".¹⁰ By holding free and unrigged elections, the will of the majority of the people would inaugurate a democratic government and thereby the principles undertaken in the Yalta Declaration were to be fulfilled.

The Russians also called for the reorganization of the control commissions. Their proposal differed in the case of Hungary, where directives were to be issued after they had been agreed to by the British and the Americans. In Hungary the chairman of the commission had the right to decide on questions in connection with the entrance and exit of the members from the country. In other countries where control commissions operated, directives were to be issued after preliminary discussion with the British and the American representatives. After some deliberation, the British decided that the Hungarian position appeared to be most satisfactory. Eventually, the members of the wartime alliance agreed to the revision of the procedures of the Allied Control Commission in Finland, Bulgaria, Romania and Hungary and accepted the Soviet proposal for Hungary as a basis.¹¹

British diplomacy in Eastern Europe was usually more handicapped by a lack of material means and of a physical presence with which to achieve its objectives than by an absence of formal rights. This was particularly apparent in the case of the former German satellites, Bulgaria, Romania and Hungary, from whose Soviet-sponsored régimes the British Government continued to withhold diplomatic recognition as it was unable to consider them "as representative or democratic within the meaning of the Potsdam decisions." Nevertheless, Great Britain, like the United States, maintained political representatives in Sofia, Bu-

charest and Budapest, in each of which capitals was established an Allied Control Commission. The latter, whose primary purpose was to supervise the enforcement of the armistice terms, provided the two Western powers with additional opportunities for influencing internal developments, and Bevin thought it in Britain's interest to ensure that their functions were not restricted and that if possible their competence should be extended to cover such matters as public security, control of demonstrations and censorship. At the same time, he required all three posts to be kept informed of actions taken by the others.¹² Their reports left him under the impression that in Bulgaria, as also in Hungary, the Russians were set upon manipulating elections in order to ensure the continuation of a "government completely subservient to Moscow" and "to show the world that its government is representative."¹³ The Bulgarian elections in August 1945 were massively rigged by the Russians; a joint list was introduced in order to ensure Communist victory. Therefore the postponement of the Hungarian elections by two months was a much welcomed development. When in October municipal elections in Hungary resulted in a striking victory for the moderate Smallholders, the Foreign Office saw this as an encouraging sign with regard to the results of the general elections to be held in November 1945. This victory at the same time was found surprising because an obviously peasant dominated party could capture the majority of votes in Budapest, where the largest number of industrial workers and middle class population was concentrated. In a wider context, this was the first "encouraging sign" that the Russian Bear might not necessarily dig its claws into all countries it liberated, and thus new democracies could spring in the region. Gascoigne, the British political representative in Hungary, was less optimistic. Hungarian government officials unofficially informed him that the Russians were demanding that all parties should join in presenting a common electoral list. Gascoigne predicted that if the Smallholders refused, the Russians would "tighten the screw economically," that they might "possibly arrange for further widespread outbreaks of unrest," and that the Communist might try to stage an armed *coup*. He therefore cautioned Bevin against accepting an unofficial Hungarian representative in London as "it might be unwise to count our democratic chickens before they are hatched." In the event, however, elections held on 4 November appeared to conform with democratic principles, and the Smallholders won 57% of the votes polled.¹⁴

The Foreign Office welcomed this satisfactory development which they had not expected two or three months before. Hungary became the second country under occupation after Finland to hold fair elections.¹⁵ Now an unofficial Hungarian representative as Minister Delegate could be received in London. However, the distribution of government portfolios was a great surprise as it did not reflect the result of the elections. According to Sir Orme Sargent, Deputy Under-Secretary at the Foreign Office, the indirect Russian pressure nullified to a

large extent the result of the elections. The Communists were allotted the Ministry of the Interior with full control of the police and the Ministry of Agriculture.

Gascoigne was convinced that the Soviet authorities were seeking to use the Communist Party to impose their political will upon Hungary. They seemed equally determined to take advantage of their military occupation of the country in order to endure their economic pre-eminence there as elsewhere in Eastern Europe. A Soviet-Hungarian agreement of August 1945 had provided for Russian participation in almost every sphere of the Hungarian economy, and Stuart of the Foreign Office's Southern Department was in little doubt that this would be "converted into domination." Bevin was at first reluctant to accept Gascoigne's similarly gloomy assessment of the implications of the agreement. He believed that Britain's "strongest card to play with the Hungarians [was] the prospect of trade with the west," and he wanted "to take no steps to make unnecessary difficulties with Russia." But the Russians were unwilling to discuss the matter within the ACC, and the British eventually yielded to Soviet threats and ratified the agreement.¹⁶ By December it was only too apparent that in Hungary the meetings of the ACC did not match the requirements of the statutes agreed at Potsdam, and that, as Gascoigne noted, the Russians were formulating policy and carrying it out without any prior reference to the representatives of Britain and the United States.¹⁷

The Board of Trade's interest in establishing relations with Hungary may have been due to the encouraging signs in Hungarian political life on the one hand, and the need to penetrate the East European market, which entailed mild political penetration, on the other hand. British views concerning possible trade with Hungary varied. Letters sent from the Board of Trade to the treasury emphasised the importance of establishing economic ties with Hungary mainly for two reasons. First, there were enormous stocks of British wool available for which they could not find a market. Second, this small amount of assistance would have helped Hungary to "keep a window open to the West".¹⁸ The Foreign Office did not deny the political advantages in granting credit for purchase of wool. However, as a result of a tentative credit to Hungary, they expected similar requests from Yugoslavia, Greece and other countries, which "might be difficult to refuse."¹⁹ Another view did not rule out the possibility of helping Hungary in a "modest way" through the ACC, but noted that any concrete proposal had so far met with frustration in every case. Hungary was not considered "as a suitable object for export drive." Its public credit worthiness rated at zero and could not offer anything that the British might want in exchange for their products.

By the beginning of 1946 it was more than apparent to the Foreign Office that its ability to influence events in those areas of Central and South-Eastern Europe that were under Soviet occupation was strictly limited. This was just as

clear in the economic as it was in the political sphere. A paper of 12 March 1946, the final draft of which was prepared by the Economic Relations Department, drew attention to the way in which the Russians were seeking to exploit and remould the economies of the region. It was believed that the primary motive for this policy was the rapid reconstruction of the Soviet Union. They also thought that the Soviet Government might have a political goal in mind in so far as the integration of the economies of these smaller states with its own would reinforce its domination and make it more difficult for them to function separately from the Russian system. But harmful though Soviet policies might be to British economic interests, Britain's prewar investments in, and trade with, these countries were relatively small. There was in any case little that Britain could do to prevent the Russians from establishing an economic stranglehold over such countries as Bulgaria, Romania and Hungary, and at this stage it seemed impractical to think of trying to enlist the financial support of the United States. There was "no striking panacea" which could be applied to Eastern Europe. The Russians were too near and the memory of their overwhelming physical strength too recent. Governments of the area could not be expected to take any step that might displease Moscow, and this made it essential that any British counteraction be unobtrusive and of a rather generalised character. "The best we can do is to hold a door open – or hold enough doors open – for the Eastern Europeans to catch frequent glimpses of a more attractive and prosperous world in the West and be encouraged, when the occasion offers, to pass through."

In late March 1946 a British parliamentary delegation was sent on a study tour to Hungary with the explicit objective of discovering areas of co-operation between the two countries.²⁰ During the ten day visit their assessment of the political situation was as follows: there was a sense of purpose and political awareness shown by almost the entire population. This was undoubtedly due to the new democratic opportunities provided by the recent Electoral Law [...]. They were convinced that there was "now established in Hungary the seeds of a new democracy which, given encouragement and understanding to enable it to surmount present difficulties and evident 'growing pains' may finally establish itself along Western parliamentary lines." They believed that Britain can best show her sympathy by contributing in such tangible ways as are possible towards a just and lasting peace, not only in Hungary but in the Danubian Basin.

Based on a careful study of the prevailing situation in March 1946 the British Joint Intelligence Sub-Committee issued a revised report on *Russia's Strategic Interests and Intentions*.²¹ It concluded that the short-term aim of Russia was to avoid war against the western bloc. Meanwhile, if any dangerous attempts were made to undermine Russia's position in the countries that had been tacitly recognized as part of its sphere of influence, it would use any means to retaliate. In areas such as the Mediterranean, Turkey and Persia, where it was likely to

face a strong combined Anglo–American resistance, it would extend its “protective belt.” It would extend its political influence wherever it was possible, e.g., by promoting Communist parties in the West. Although Russia would try to avoid war in the near future, it was alarming that demobilisation was slow, and Russian forces and industry still operated on a wartime footing. “In brief,” the Joint Intelligence Sub-Committee reported, “although the intention may be defensive, the tactics will be offensive, and the danger always exists that Russian leaders may misjudge how far they can go without provoking war with America and ourselves.”²²

By early 1947 the so-called salami tactic by the Communists was in full swing. It entailed the gradual elimination of their political opponents. In mid-1947 the first democratically elected Prime Minister of Hungary, Ferenc Nagy, was forced not to return to Hungary after his holiday in Switzerland. The political police had been using methods similar to those employed in Russia during the purges in the 1930s. In this atmosphere of terror Denis Healey visited Hungary to attend the annual congress of the Social Democratic Party. He went as Labour representative with a view to helping the party to stay alive. He found that the “icy winter which gripped the country symbolised its politics.”²³ At a first glance the conference had a slight air of a Nazi rally given by the presence of attendants dressed sloppily in white shirts, red armbands and ties, and military hats. Otherwise it appeared orderly and democratic – more like an English conference than a French or Italian one.

He quickly perceived what the battle behind the scenes was:²⁴ questions of power and representation. On this issues the so-called Right wing failed to hold the extreme Left in check.

As regards relations with the Communist Party, he felt a considerable friction. (1) The workers disliked the agreement by which leading factory positions are shared equally irrespective of the strength of the two parties. [...] (2) Fusion was not even considered. Contrary to the general view of the British Legation, he thought that Russian influence did not depend mainly on the Control Commission and the Occupation troops, of whom there were only about 20,000 tucked away in a corner of Hungary. Consequently, it would not greatly diminish after the ratification of the peace treaty. Many Hungarians thought that the Russians might ratify and fulfil the conditions within six weeks of signing. According to Healey, Russian influence depended mainly on the Communist Party, the political and military policy, economic power, petty persecution and physical terror.

He concluded that the Social Democratic Party was a genuine and sincere party of old socialists. It was moreover the only tolerable alternative to Communism in Hungary. The present tension between socialists and communists would grow. When the crucial decision was to be made, the socialist leaders would be influenced by their estimate of the help which the Western parties

would give them morally as a party and economically as a government. Unless Hungary received considerable credits from the West, a Social Democratic domestic policy would become impossible.

Conclusions

In 1945 it was not obvious that the road to Communism was already being systematically built by the Russians and their Hungarian "stooges." The immediate pressure was mitigated by the fact that the Hungarian communists were eager to outdo Russian requests. They were a meticulous lot who, with a perfectly tailored demagogy and timing, could win the support of large multitudes of people.

There was slight improvement as to the sharing of responsibility by the Russians for the work the control commission. Questions of policy remained in Russian hands. Both the British and the Americans hoped to conclude peace treaties fairly soon and therefore they lost interest in improving the status of their missions.

Documentary evidence seems to suggest that by early 1946 mutual hostility and mistrust prevailed in Anglo-Soviet relations. The British did not underestimate the possible threat that the Soviet Union posed. However, they were confident in believing that if they developed a firm political line, buttressed by American aid, an imminent war could be avoided and, at the cost of a lack of commitment to Eastern Europe, their traditional spheres of interest could be kept. With regard to Eastern and Central Europe, the British undertook the implementation of the Yalta Declaration, which in Hungary's case was fulfilled. The British political representative feared that Hungary would be Sovietised due to the extent of direct Russian intervention into internal Hungarian affairs. In the Foreign Office they doubted the Russia aspirations to Sovietise Hungary and found the gloomy reports from Budapest exaggerated and still emphasised the idea of collaboration with the Russians. They wanted to conclude peace treaties quickly, recognized the Soviet need to build up buffer states, and thus accepted that Hungary, together with the countries of the region, belonged to the Russian sphere of interest. This was the price the British had to pay for keeping their traditional spheres of interest and maintaining the leadership within the Italian commission. Also, the British attitude was that as long as Germany's position was not clarified everything else could wait.

Official FO thinking about the Soviet Union shifted substantially in 1946 towards the views long held by the Chiefs of Staff. The result was a new FO Russia Committee to monitor Soviet conduct and publicity. One of the shapers of this policy was the late Sir Frank Roberts, then Chargé d'Affairs at the Moscow Embassy. He stated that Soviet security had become hard to distinguish

from Soviet imperialism, and it was questionable whether there was a limit to Soviet expansionism. However, it was not until the creation of the Cominform in October 1947 that Bevin and the cabinet echoed the view of the Russia Committee. The aim of British policy should now be to "reinforce the physical barriers which still guard our Western civilisation of which we are the protagonists. This in my view can only be done by creating some form of union in Western Europe, whether of a formal or informal character, backed by America and the Dominions."²⁵

Reports from the British Legation in Budapest became gloomier by the day regarding the internal political situation. S.D. Stewart, a senior member of the British Mission, described it as follows. "I do not know whether there can be such a thing as a premeditated and planned chaos. There are some who say that here we have the proof that there can be. But it is difficult to imagine even the most prolonged premeditation and the most detailed planning proving so utterly successful."

Notes

1. M.E. Pelly, H.J. Yasamee, et al., eds, *Documents on British Policy Overseas*, Series I, Volume VI, Eastern Europe August 1945–April 1946 (London, 1991), 46–49.
2. *United Nations Treaty Series*, no. 471, 405–419.
3. PRO FO 371/48478.
4. PRO FO 371/48479.
5. PRO FO 371/48467.
6. The Land Reform was, no doubt, a corner-stone of the post-war period despite some of its weaknesses. It must be noted that there were self-appointed land committees, which started distributing land to the peasants. Therefore, with hindsight, it appears very likely that it would have been carried out without any outside pressure. On the other hand, both the Hungarian Communists, who had returned from their Moscow exile with the Soviet troops and the Russian representatives clearly saw the importance of land reform and the political advantages stemming from such measure. Thus they duly acted on it so that it could later be associated with the Communists in people's minds.
7. Cf. Article 18 of the Armistice.
8. A very interesting remark; the opposite view was held by the Hungarians.
9. R. Butler and M.E. Pelly eds, *Documents on British Policy Overseas*, Series I, Volume I, *The Conference at Potsdam* (London, 1984), 436.
10. *Ibid.* 762.
11. *Ibid.* 699–701.
12. M.E. Pelly, H.J. Yasamee, et al., eds, *Op. cit.*, 40–42.
13. PRO FO 371/48465.
14. M.E. Pelly, H.J. Yasamee, et al., eds, *Op. cit.*, 157–161, 199–201.
15. PRO FO 371/48477.

16. M.E. Pelly, H.J. Yasamee, et al., eds, *Op. cit.*, 170–177.
17. M.E. Pelly, H.J. Yasamee, et al., eds, *Op. cit.*, 220–225.
18. PRO FO 371/ 48520.
19. *Ibid.*
20. PRO FO 371/59050. The visit took place between 23 April and 5 May 1946. Members of the mission: Richard Adams, Stanley Evans, John Haire, David Jones, J.A. Lanford-Holt, Hugh Linstead, G. Wadsworth, F.T. Willey.
21. M. E. Pelly, H.J. Yasamee et al., eds, *Op. cit.*, pp. 297–301.
22. *Ibid.*
23. Denis Healy, *The Time of My Life* (London, 1990), 85.
24. PRO FO 371/67191. His report dated on 10 February 1947.
25. PRO CAB 129/23.